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New Public Management and Strategic Change in the European Railways

A critical study on the EU governance of megaprojects

Thèse présentée en vue de l'obtention
du grade de Docteur en Sciences
Économiques et de Gestion

Giovanni ESPOSITO



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Giovanni ESPOSITO

Over the last five decades, European public sectors have undergone a profound process of organizational change, where managerial tools and principles from the private sector have permeated through governments and administrations of many countries. New Public Management (NPM) reform ideas were crucial to this change. Mainstream studies on NPM reforms commonly see it as a mere pragmatic and apolitical framework of reform to downsize State bureaucracies and render public service delivery more efficiently and effectively responsive to users' demands. Following the Critical Management Studies tradition, this PhD dissertation questions this taken-for-grantedness of NPM and denaturalizes the mainstream idea of NPM reforms as a technical, rational analytic and evidence-based domain. It rather presents them as the result of a historical process marked by politics and power.

We choose the European rail industries as empirical context of analysis. Firstly, we examine the EU-driven implementation of NPM reforms in this sector. Secondly, we narrow the focus on the governance of TEN-T, an EU-level investment program in transport infrastructures designed on the basis of key NPM principles. This program is of crucial importance for the full accomplishment of NPM reforms in the national rail industries of the EU.

The dissertation is structured in two parts. The first part investigates how NPM ideas developed throughout the political agendas of European national parties and were transformed into actual reform plans by governments. The second part examines how NPM ideas translate into managerial action. Our analysis suggests that the top-down performance-based design of NPM models leads to effectiveness and efficiency improvements in the functioning of public sector organizations which, under certain circumstances, contrast with the most fundamental democratic values of State institutions. These models might thus turn constitutional democracies into technocracies. We conclude by discussing alternatives to NPM, such as the Public Value paradigm.

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Last Draft - 2nd June 2018

Per aspera sic itur ad astra...

*...a mamma e papà,
a Giorgia ed Emiliano*

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INTRODUCTION

New Public Management: a critical perspective

History is in perpetual motion. Our opinion on historical events evolves as new discoveries unfold and, especially, according to our standpoint in society. In the late 18th century, during the American War of Independence, the British regarded the settlers revolting against them as ‘rebels’ while these defined themselves as ‘patriots’. Later on, in Europe, during the French Revolution, King Louis XVI called ‘rioters’ those who fought side by side under the name ‘citizens’. In most recent times, the Iraq war is, for some, a ‘liberation war’ in the name of democracy and, for others, an ‘illegitimate invasion’ intended to seize oil resources. The facts are the same but the interpretations change radically according to the points of view and interests at stake.

When dealing with such contested events, social scientists are required to be *critical* and use their intellectual capacities to discern facts and interpretations, by taking into account the multiple viewpoints and interests at stake of all the actors involved. The term *critique* derives from the Greek *kritikē* (κριτική), meaning "the art of discerning". In the field of management and organization science, Critical Management Studies (CMS) scholars often refer to this art with the word ‘unpacking’ (Alvesson and Wilmott 2012).

Unpacking the partiality of shared interests and unpacking the asymmetrical power relations are both key aspects of the CMS project (Alvesson and Wilmott 1992). CMS scholars draw attention to latent social conflicts. They thus bring the focus on the fact that management is a societal process taking place in plural environments, populated by diverging stakeholder groups whose dynamic interactions generate contradictions at the level of society and organizations. The idea is that managerial élites and other groups in society (e.g. workers, citizens) might have competing interests and objectives which may generate disagreements and, eventually, conflicts. In so doing, these scholars acknowledge the political

nature of management techniques and attempt to shed light on the domination structures and processes thanks to which managerial élites “[are] routinely privileged in decision-making and agenda-setting and in defining and shaping human needs and social reality” (Alvesson and Wilmott 1992: 12).

Contrary to CMS, most traditional approaches to management overlook the problem of domination and produce a typology of knowledge that assists management. As suggested by Klikauer (2015), this typology of knowledge is linked to what Habermas (1968: 290) calls “a cognitive interest in technical control over objectified processes” and can be said “auxiliary science”, supporting and stabilizing domination (Anderson 2009). It is used either to set labor power in motion while dominating it (e.g. Smith 2010) or to establish and expand the power of direct, technical, bureaucratic, coercive, cultural, normative and internalized control (e.g. Fleming et al. 2010). In sum, this traditional managerial knowledge analyses management from ‘within’ a self-invented techno-instrumental rationality constructed as problem solving and put at the service of managerial élites (Klikauer 2015).

In this PhD dissertation, we adopt a critical stance to study New Public Management (NPM). NPM is an approach to running public services organizations based on the belief that the public sector can work better if it takes on market and private-sector management as key organizing principles. NPM supporters claim that market-like structures and greater managerial pragmatism within the government can improve the cost-effectiveness of public services provision. They minimize – the most radical of them deny - any difference between public and private management. They call for a pragmatic approach to problems and a better division of roles between the level of steering - the political power making the strategic decisions and setting the objectives -, and the level of execution - the administrative and managerial power making the operational

decisions and implementing objectives. Since the late-1970s, NPM reforms have been spreading worldwide in many countries regardless of the domestic administrative traditions.

Most conventional studies on NPM see it as a technical, rational analytic and evidence-based domain. From this perspective, the implementation of NPM reforms is considered as a mere technical and apolitical process aimed at downsizing state bureaucracies and rendering public service delivery more efficiently and effectively responsive to users' demands (i.e. Scott, Bushnell and Sallee 1990; Hood 1991, 1995). In this context, reforms are seen as a pragmatic solution to offer public services of the same quality but at lower cost or better services at the same cost. These conventional studies on NPM make sense of it by using a techno-instrumental rationality constructed as problem solving and uncritically put at the service of inexplicit, taken-for-granted managerial and political interests. They seem to hastily consider the re-structuring of traditional state bureaucracies as a 'rational shopping for reform elements' (i.e. Christensen and Lægreid 2013) rather than a political process driven by reform ideology.

NPM, politics and power: combining the macro and meso levels of analysis

As a first step of this PhD thesis, we unpack the ideology underneath NPM and contribute to its 'denaturalization' (see Alvesson and Wilmott 1992). In so doing, we question the taken-for-grantedness of NPM reforms by opening up what about NPM has become seen as given, unproblematic and natural. In other words, we denaturalize the mainstream idea of NPM as a technical, rational analytic and evidence-based domain and rather present it as the result of a historical process marked by politics and power.

In one view, power can be defined at the macro level in terms of social structures where dominant groups seek to substantiate and legitimize their dominant position through ideology. From this point of view, power refers to systems of

ideas forming the basis of economic and political theory, and policy. However, it can be also defined at the meso level in terms of technologies and institutions that mold deviant behaviors into the political and managerial agenda of dominant groups. Power at this level is more about the techniques, rules, regulations and inter-organizational ties that shape collective action.

Therefore, as a second step of this PhD thesis, we look at the NPM-related structures and processes that allow dominant groups (e.g. governments, industry and supra-national authorities) to administer society (e.g. citizens, civil society organizations). Our objective here is not only to unpack the control mechanisms underneath NPM models, but also to draw attention to the social conflicts that go hand in hand with the use of these mechanisms. Therefore, at the meso level we focus, firstly, on the technological and institutional mechanisms that enable political and managerial élites to impose their agenda on society; and, eventually, on the conflicts that arise from the use of these mechanisms.

As far as the macro level is concerned, we first look at the relationship between NPM reforms, political ideology, and public expressions of support for these reforms by political parties. Secondly, we adopt a political economy perspective and look at the interaction of political and economic forces within a society. We therefore bring the focus on the social welfare effects of NPM reforms by measuring how much value these reforms create for society. For this second step of analysis, we choose as empirical context the European rail sector. We choose this sector because over the last decades this has been profoundly restructured on the basis of the NPM model. Until the 1980s, rail services in Europe were a considered as a public service and were thus provided by vertically integrated state-owned monopolies. Then, throughout the 1980s, many European governments came to frame them as market services. Stated-owned enterprises

were thus progressively dismantled under the pressures of liberalization policies driven by the European Union (EU).

Through the intense use of regulation (Directive 91/440 and four regulatory packages in 2001, 2004, 2007 and 2016), EU liberalization policies were aimed at reforming the national transport systems with the purpose of opening existing state-owned monopolies to international competition. A core aspect of this reform process has been the promotion of interoperability across national transport networks. Interoperability is crucial because Europe has many national transport systems that have evolved each in their own way over the past years. Their technical standards are different, and this is clearly an obstacle to cross-border traffic. Therefore, this is also an obstacle to cross-border competition.

For example, with international trains it is usually the case that the engine has to be changed at the frontier station. In especially difficult cases passengers must change trains or goods must be reloaded. There is also a need to harmonize infrastructure because of, for example, differences in platform heights or command and signaling systems. In the railway sector different gauge widths, electrification standards and safety and signaling systems made it more difficult and more costly to run a train from one country to another. In this situation, the European transport market is fragmented - and no liberalization initiative could be really effective - because each national transport network could be used only by those operators having a rolling stock apparatus complying with the national market standards.

For all these technical reasons, in 1996 the EU established the TEN-T¹ (Trans-European Network-Transport) program, an EU-level investment program providing financial resources and legal rules to realize a list of infrastructure projects representing the backbone of the future trans-European transport

¹ A list with the most frequent acronyms of the case study is provided in ANNEX II.

network. TEN-T goal was to interconnect national infrastructure networks and ensure their interoperability by setting standards which could remove transnational technical barriers, such as incompatible standards for railway traffic. It was designed to promote and strengthen seamless transport chains for passenger and freight, while keeping up with the latest technological trends such as High-Speed Railway (HSR) technology in the rail sector.

In terms of performance, a number of major problems (e.g. planning, construction and financing of listed projects) emerged since the first phase of implementing TEN-T starting in 1996. “The completion of the originally defined TEN-T fell behind the optimistic development plans” (Schade et. al., 2013: 19) and, as a consequence, the deadline for the accomplishment of planned projects was delayed several times. In 1996 the deadline was 2010. Then, in 2001 it was delayed to 2020. In 2014 it was further delayed to 2030.

Following the NPM philosophy of a greater emphasis on results, the European Commission introduced a number of managerial innovations to improve the program performance. For example, EU-level criteria for the selection of projects to be funded by the TEN-T budget became stricter. An EU-level manager (so called European Coordinator) was introduced to supervise and facilitate the accomplishment of funded projects at the national level. Tools to manage the performance of funded projects (e.g. TENtec system) were adopted to assure the timely achievement of planned objectives.

NPM models are indeed based on the belief that the public sector works better when public administrative bodies are oriented toward results (outputs), rather than processes (inputs). Nevertheless, a growing body of empirical literature criticizes them because of their: (1) inappropriate likening of the public sector to the private one (e.g. DeLeon and Denhardt, 2000; Hefetz and Warner, 2004; McCabe and Vinzant, 1999; Rocha and De Araujo, 2007) and (2) negative effects

equity, citizenship, and accountability (Boyne, 1998; Kettl, 1993; Morgan and England, 1988; Romzek, 2000). Some of these studies have pointed out the disciplinary characteristics of the NPM models whose style of management is essentially designed, monitored and imposed from the top (Hood, 2000; Ryan et al., 2008), with little involvement of concerned stakeholders.

In a similar vein, the managerial innovations introduced by the EU to improve the performance of TEN-T-funded projects have been accompanied by the increasing opposition of local stakeholders in several Members States: Italy and France (Lyon-Turin project), Germany (Stuttgart project), Spain (Basque Y project), UK (HS2 project). This has led some commentators (Schade et. al., 2013, 2014) to remind the European Commission that, not only the accomplishment of planned objectives, but also the participation of local stakeholders to project decision-making should be duly considered in the management of the program.

The Lyon-Turin (LT) project is certainly the most emblematic of existing opposition movements. For more than 20 years, the local communities of the Susa Valley (near Turin), backed by the local authorities, have blocked the project implementation with “a protest of epic tenacity and occasional violence” (Hooper, 2012). Since 2012, protests have developed also in France (departments of Rhône, Isère and Savoie). The core argument of Italian and French oppositions was that the project is useless - because many studies other than those produced by the project promoters showed that rail traffic flows between Italy and France are decreasing – and undemocratic - because it has been imposed from the top by the European Commission and the national governments without any adequate involvement of local communities. In 2012, as oppositions showed no sign of decreasing the Italian government approved Law 183 which, among others, declared LT a project of strategic priority to be realized in the name of national interest. In so doing, it created the juridical conditions to militarily occupy the

construction site of the base tunnel and prevent any future protest which could delay further the accomplishment of the project. At the same time, in both countries *Lyon-Turin Ferroviaire* (LTF) – the constructor company in charge of the geognostic works of the planned infrastructure - pressed charges against local activists to discourage any future opposition to LT.

In this PhD thesis, we choose the organization of the LT project as empirical context to understand how at the meso level NPM-oriented structures and processes allow dominant groups (e.g. governments, industry and supra-national authorities) to administer society (e.g. citizens, civil society organizations and local communities). Our objective here is to unpack the - technological and institutional - control mechanisms underneath NPM models and to unravel the social conflicts that arise with the use of these mechanisms.

The LT project is a very rich empirical context. Firstly, it is a transnational project, meaning that this case study is comparative in essence and provides the opportunity to examine two “polar types” (Pettigrew 1990: 275): the Italian site of the project illustrating low performance and very strong local opposition, and the French one illustrating high performance and moderate local opposition. More in detail, LT allows us to observe how the NPM logic underneath the managerial mechanisms of the TEN-T program intertwines – or hybridizes - with the national institutional systems where the project is implemented. Secondly, it is a multilevel project, meaning that it allows us to observe how decision making disperses and articulates across different government levels (supra-national, national and sub-national). Thirdly, it is a pluralistic project, meaning that it allows us to observe how stakeholders with competing views of the world relate to each other through disputes and agreements.

In the following two sections, on the one hand, we present the theory background for our analysis of the NPM ideology. On the other, we provide the theoretical

framework enabling us to unravel the functioning of NPM control mechanisms and the conflicts that arise with their use.

Unpacking the NPM ideology

Unveiling the ideological foundations of a knowledge domain is a key CMS aspect (Alvesson and Sandberg 2011). On this regard, more critical scholars (e.g. Clarke and Newman 2004, Davies 2017) have spotlighted the relationship between NPM and political ideology. They have argued that NPM reforms to government are part of a neoliberal attempt to dismantle the welfare state. These reforms are driven by a powerful managerialist ideology believing that (1) a society - or a nation - is nothing more than the summation of the decisions and transactions which have been made by the managements of the organizations (Enteman 1993), and (2) all organizations can only work properly if decision-making is put in the hands of professionally trained and objective managers (Parker 2002).

This PhD thesis follows on from this critical studies tradition. It brings the focus on the relationship between NPM reforms, political ideology, and public expressions of support for these reforms by political parties. NPM reforms to the machinery of government are indeed led by elected ministers who are themselves leading members of political parties. Ministers are elected on the basis of a party manifesto which contains collective commitments and aspirations, which can be seen as an important document for analysis. Therefore, we start our analysis by focusing on these manifestos and asking whether NPM reforms the past decades have been construed as a technical, rational analytic and evidence-based domain, disconnected from party political life; or, conversely, these reforms have been characterized by a growing political profile over time.

We know from the literature (e.g. Bauby 2008, Boggetti and Obermann 2008, Clifton et al. 2011, Florio 2013) EU's institutions have played a key role in the

diffusion of NPM ideas across the domestic contexts of the Member States. In more detail, the European Commission has chosen to transpose the NPM values into the Member States' institutional systems without establishing binding pan-European rules. It has rather used instruments of soft regulation² (Mény 1993, Page and Wouters 1995, Spanou 1998, Della Cananea 2004, Eichengreen 2008). These instruments have aimed at 're-orienting the direction and shape of politics to the extent that [EU] political and economic dynamics become part of the organizational logic of national politics and policy making' (Ladrech 1994: 69). Vis-à-vis these instruments of soft regulation, national political parties have played a crucial role by: (1) absorbing EU-level NPM ideas in their ideological platforms (party manifestos); and - once in power – (2) transforming them into national administrative reform plans (Gafney 1996, Ladrech 2001). We therefore continue our analysis on party manifestos by focusing on the domestic context of the EU's Member States. Precisely, we investigate in which political, economic and institutional contexts European national parties have used NPM ideas to compose their manifestos. In so doing, we aim to shed some light on the political economy of NPM reforms.

From a political economy perspective, NPM reforms of the public sector economy are more than technical, rational analytic and evidence-based changes. Political economists rather spotlight the interaction of political and economic

² A number of instruments of soft regulation have been progressively produced at the EU level to invite the Member States to modernize their national administrations through private-sector management and market-based strategies. The declared purpose of these strategies was to improve efficiency and effectiveness in the economy of the public sector. For instance, in a 2010 communication (COM(2010)2020 final), the European Commission encouraged the Member States to promote internal structural reforms designed to render national public administrations more efficient and effective. Other instruments of soft regulation (i.e. DG ECFIN 2008, COM(2014)902 final) consider these structural reforms as an important EU priority area, crucial to promote growth in the European economy, and improve both efficiency and effectiveness in the public sector. Reform of public sectors should thus be high up on the political agendas of the MSs'.

processes within a society and bring the focus on the distribution of power and wealth between different groups, as well as the processes that create, sustain and transform these relationships over time (Collinson 2003).

Until the mid-1970s, a Keynesian policy environment of macroeconomic intervention prevailed in the majority of Western democracies. Within this context, policy-makers saw public sector organizations as strategic players to redress market failures and protect national interests (Fecher and Lévesque 2008). Then, the 1974–1975 stagflation cast doubt on the relevance of Keynesian policies (Aharoni 1976, Androsch 1977). As a consequence, the concept of State's failures grew under the influence of alternative theoretical currents, such as monetarism and public choice (Fecher and Lévesque 2008). By the early-1980s, the mainstream paradigm was shifting attention from State interventionism to supply-side economics (Goodwin et al. 2015). In many Western democracies, the political élites changed their mind about the role of the State in the economy. They came to consider the Keynesian welfare state as the major cause for the increased size, functions and power of public bureaucracies. As explained by Larbi (1999), a key role was played by the emerging ideas of New Right neoliberals who criticized the size, costs and functioning of government bureaus by depicting them as ridden with inefficiencies when compared with private businesses. Drawing on Mises' (1936) and Hayek's (1944, 1948, 1960 and 1988) philosophical ideas, New Right thinkers became more and more influential (Dunleavy 1986). These thinkers increasingly called for alternative ways of organizing public services where the role of state administrations had to be reduced to give more prominence to market institutions (e.g. liberalization policies, deregulation of areas shielded from competition and privatization). To this end, legislatively driven initiatives to create quasi-markets increasingly diffused in many Western countries as a major development in public service provision. Reformers called for the rolling back of bureaucratic coordination in

the provision of public services and the implementation of NPM reforms. As explained by Ferlie et al. (1996) in their study on the UK – a leading NPM jurisdiction -, the official line of these reforms was that public services were to become more business-like. A stronger general managerial spine in the organization of public sector organization was, in fact, a key theme of NPM reforms. Indeed, particular attention was given to the importance of management by hierarchy, a ‘command and control’ mode of working, clear target-setting and monitoring performance, a shift of power to senior management and some empowerment of more entrepreneurial management, but still with tight retrospective accountability requirement upwards (Ferlie et al. 1996).

When studying NPM from a political economy perspective, economists not only want to understand how reform measures impact on cost structures and organizational outputs, but they also want to be able to calculate how much value reforms create for society. Florio (2013, 2017) follows this approach and studies the social welfare effects of the adoption of NPM models in the provision of network services in Europe. Networks (e.g. transport, energy and telecommunication) are crucial factors of economic well-being as they offer society the opportunity to coordinate, over time and space, large and complex flows of essential goods, people or services. Therefore, as referred by Florio (2013), governments may have good reasons to consider these services as essential to society and give priority to economic accessibility of these services for their citizens. Governments may thus commit to ensure that household expenditures for these services do not exceed a given share of their income. But they may also commit to stimulate new investments to improve the quality of the service. Following this political economy tradition, we focus on the welfare effects of NPM reforms in the railway network sector. Precisely, we investigate the effects that EU-driven NPM reforms have on the prices, quality and investments in the rail services sector.

Focusing on this aspect is a form of post hoc fact-checking, aimed at understanding to which extent reforms of the public sector inspired to the NPM ideology have a positive effect on society. The focus here is on what can be discovered regarding the effects of NPM reforms on household bills, service quality and infrastructure investments in the rail sector: 'Is liberalization beneficial to the poor?', 'Does market opening to competition lower the prices paid by rail services users and have a positive impact on household income?' 'Do citizens get a better quality of service?' Indeed, the common sense belief is often that through competition society benefits with lower prices, better quality and more innovation due to higher investments in research and development. Through this ex-post evaluation of NPM reforms, we want to contribute to a wider political debate about NPM and lay down the basis for a broader reflection about its social suitability.

Unpacking the NPM control mechanisms and conflicts

Daily life requires people to decide constantly how they ought to act. Sometimes they may decide to act without appealing to reason and, thus, responding to emotion or habit. Sometimes they may also decide to act after reasoning. They may thus reason about (1) the means to achieve their ends, or (2) the ends they ought to pursue (Weber 1971). Actions inspired by reasoning about means are often called 'instrumentally rational' and are supposed to be efficient means or tools to achieve some predetermined ends. Actions inspired by reasoning about ends are often called 'value rational' and are actions that put into practice people's convictions. Actions oriented by value rationality are marked by a belief in the value for its own sake, independent of its prospects of success.

CMS scholars (Fournier and Grey 2000) say that traditional management studies have a performative intent, in the sense that the knowledge they produce is inscribed within the logic of means-ends calculation. As referred by Spicer et al.

(2009), according to Benhabib (1984: 104), performativity involves an attempt to use science to improve the technological control of a phenomenon by “minimizing risk, unpredictability, and complexity”. Drawing on Austin (1962), Lyotard (1984) uses the word ‘performativity’ to problematize a part of what he identifies as the postmodern condition, that is, the taken for grantedness of ‘performance’, here in the sense of effectiveness and efficiency.

As explained by Gond et al. (2016), Lyotard’s key message in problematizing performativity is not that we should completely avoid contributing to the efficiency of systems. His message rather invites us to be critical of the effects that the overriding importance attached to efficiency in the postmodern condition might have, especially for the provision of important services such as education. In a similar vein, Grey and Wilmott (2005: 7) argue that CMS “should not involve an antagonistic attitude towards all forms of ‘performing’, only to forms of action in which there is a means-ends calculus that pays little or no attention to the question of ends”

In this PhD research, we look at the NPM performativity in the empirical context of the TEN-T program. Particularly, we focus on the performance management of the LT project and, more precisely, we narrow the analysis on LT implementation process. We mean by implementation process all those activities which result from the execution of planned goals, including both the managerial initiatives and the opposition to these initiatives by external stakeholder groups. While analyzing the LT implementation process, we pay particular attention to the interactions between the multiple value rationalities which populate our empirical context. Therefore, we draw particular attention on the moral conflicts which result from the contradicting ends pursued by the LT project team and stakeholders outside the team.

As mentioned before, the organizational settings of the LT project are multilevel, transnational and pluralist. Therefore, as a first step, we will look at (1) the performance management mechanisms used by the European Commission to ensure that planned goals are consistently being met across the different government levels structuring LT implementation. As a second step, we will look at (2) the institutional mechanisms that, within the national contexts of Italy and France, enact this EU-level performance management system and contribute to the implementation of LT. As a third step, we will focus our analysis on (3) the stakeholders' competing views of LT and their impact on the project implementation.

While looking at these three dimensions of LT, we adopt a critical stance and, instead of narrowly focusing on efficiency and effectiveness dynamics, we focus on power and control. Our concern is thus on understanding: (1) how supra-national performance management systems exert disciplinary power on state-level stakeholders and, in so doing, make collective behavior consistent with the achievement of planned goals; (2) how different national institutional mechanisms control collective decision-making and contribute to the implementation of planned goals; and, (3) how conflicts between local communities and managerial and political groups influence the implementation of planned goals.

For this critical analysis, we mobilize three different theoretical lenses. Each of these lenses will bring our attention on different – albeit interdependent - aspects of LT and, in so doing, will enable us to unpack NPM-style control mechanisms and conflicts.

The European public sectors and NPM: the dual face of neoliberalism

The public sector plays a key role in the European economy. It acts as regulator, service provider and employer. According to the European Commission (2013), it accounts for more than 25% of total employment in the European Union (EU) and

a significant share of the economic activity in the EU-27 Member States. Government expenditures in the EU amount on average to 45% of GDP – in States like Denmark, Finland, France and Sweden even more than 55% - whereas public procurement is about 19% of GDP.

Historically, the public sector has developed differently from the private sector. Efficiency and economic performance were always central to the latter, whereas the public interest and adherence to legal norms were more important for the former. However, as noticed by the European Commission (2013: 4), “financial austerity is changing the rules of the game”, and public sector efficiency and performance are increasingly becoming central to governmental reforms in order to address budgetary constraints. Since 2009, the term austerity has been used to describe policies aimed at reducing government budget deficits by means of spending cuts and tax increases, or a combination of both (Alesina et al. 2015). Nevertheless, it was between the late-1970s and early-1980s that the roles, structures and missions of the public sector started changing significantly.

As we explained above, NPM reform ideas played a key role in this process of change by advocating a restructuring of public sector organizations on the basis of private-sector managerial concepts and tools. Overt advocacy of these ideas was primarily due to a conservative neo-liberal economic movement responding to the economic and fiscal problems which damaged many Western countries in the 1970s and 1980s (Mascarenhas, 1993; Deakin and Walsh, 1996). These problems led to a rethinking of state-led development: “by the late 1970s there was increasing criticism by the New Right neoliberals of the size, cost and the role of government, and doubts about the capacity of governments to rectify economic problems. The Keynesian welfare state was seen as a monopoly provider of services and as fundamentally inefficient.” (Larbi 1999: 13).

What do we mean by neoliberalism?

Neoliberalism is commonly understood as the “free-market ideology” (Block and Somers 2014). Key neoliberal ideas are free trade, deregulation, public services liberalization and privatization, austerity, and reductions in government spending in order to increase the role of the private sector in the economy and society. Neoliberalism refers primarily to the 20th-century re-emergence of 19th-century ideas of *laissez-faire* economic liberalism.

Nevertheless, according to Michel Foucault, this definition of neoliberalism is partial and misleading. In his lectures at the *College de France* of the late-1970s, he explains that the main problem of neoliberalism was not how to cut out or contrive a free space of the market within an already given political society, as in the liberalism of Adam Smith and the 19th century. He rather believes that the problem of neoliberalism was how the overall exercise of political power could be modeled on the principles of a market economy. In his own words: “[Neoliberalism] is not a question of freeing an empty space, but of taking the formal principles of a market economy and referring and relating them to - or projecting them onto - a general art of government. This, I think, is what is at stake, and I tried to show you that in order to carry out this operation, that is to say, to discover how far and to what extent the formal principles of a market economy can index a general art of government, the neo-liberals had to subject classical liberalism to a number of transformations” (Foucault 2008: 131).

As explained by Foucault, one essential transformation was the dissociation between the market economy and the political principle of *laissez-faire*. From his point of view, this uncoupling of the market economy and *laissez-faire* policies was achieved when the neo-liberals put forward a theory of pure competition in which “competition was not presented as in any way a primitive and natural given, the very source and foundation of society that only had to be allowed to rise to the surface and be rediscovered as it were. Far from it being this,

competition was a structure with formal properties, and it was these formal properties of the competitive structure that assured, and could assure, economic regulation through the price mechanism.” (Foucault 2008: 131). From this perspective, the core problem of neoliberal policy was precisely to develop the concrete and real space in which the formal structure of competition could function. An example of this formal structure is competition law, which promotes or seeks to maintain market competition by regulating anti-competitive conduct by companies. Another example is quasi-markets, a public sector institutional structure that is designed to reap the efficiency gains of free markets without losing the equity benefits of traditional systems of public administration. Based on these arguments, Foucault concludes that neoliberalism should not be identified with laissez-faire, but rather with permanent vigilance, activity, and intervention.

Foucault is suggesting that while at the ideological (discursive) level neoliberalism advocates freedom and autonomy, at the organizational (practical) level it entails economic regulation and rules enforcement. In this PhD thesis, we go through this emerging paradox and look at NPM in the European context by focusing on both its ideological and organizational components. The coalescence of these ideological and organizational elements into the NPM paradigm leads us to position our study both at the macro and meso levels of analysis.

Some studies analyze the implementation of NPM reforms in the European context by connecting the macro and meso levels. For example, Ferlie et al. (2016) suggest considering these reforms not only as an effect of micro and meso level factors of public-sector organizations, but also as a result of long-term structural changes happening at the macro level of the political economy. At this level of analysis, NPM reforms can be explored in reference to the regimes of politics or economic values that emerge primarily at the level of states, with a

focus on the distribution of power and wealth between different groups in society. This macro perspective is important as it complements existing meso level explanations of NPM reforms, which examine the diffusion processes at the middle level of the organizational field – e.g. the field of healthcare organizations examined by Ferlie et al. (2016).

A ‘political economy’ perspective *on* NPM is fundamentally different from the most traditional ‘neoclassical economics’ perspective *of* NPM. Neoclassical economics is an essentially rationalist discipline which commonly rests on three key assumptions (Weintraub 1993): (1) people have rational preferences between outcomes that can be identified and associated with values; (2) individuals maximize utility and firms maximize profits; and, (3) people act independently on the basis of full and relevant information. Public choice theory – a cornerstone of NPM – elaborates upon these assumptions by representing society as the aggregate of rational utility-maximizing individuals, and collective utility as the sum of individual utilities. As Margaret Thatcher – a leading NPM reformer in Europe - said in a 1987 interview given to the magazine *Women's Own*: “[T]here's no such thing as society. There are individual men and women and there are families”. Following a deductive logic, above-mentioned assumptions were used by public choice theorists to develop highly-sophisticated mathematical models describing the functioning of bureaucracies in the context of public sector organizations (e.g. Niskanen 1971), the collective behavior of individuals in democratic systems (e.g. Downs 1957, Olson 1971) and the definition of the public interest in decision-making processes (e.g. Buchanan and Tullock 1962). From a theoretical standpoint, these models allowed economists to extend market logics into every aspect of state and society. In so doing, they could expand their professional jurisdictions to new areas which, in the past, were usually considered of political science and sociological competence. From an organizational point of view, these models allowed NPM reformers to reconstruct the state and the

society in ways that were amenable to market-based techniques of evaluation (Davies 2017). In so doing, they could treat political communities as quasi-firms to be measured, managed and controlled in a business-like fashion.

The objective of this dissertation is twofold. First, it aims to reconnect NPM to its broader political economy. We do that by observing it as an historical process issued from the interplay of political and economic forces. Second, it aims to unravel the NPM's rationalist assemblage by unveiling the control mechanisms and latent social conflicts. We thus observe its organizational practices and show that the passage from individual to collective utility is not a linear and straightforward process as neoclassical economists claim. It is rather a non-linear and contradictory process which dialectically unfolds over time as a result of conflicting interests, politics and culture. All at the same time, these forces make public-sector management a social process, meandering and developing in ways which – as we will show - challenge the validity of the rationalist assumptions at the basis of the NPM model.

Research design

NPM can be better defined as a policy paradigm to reform public sector organizations. Historically, this paradigm has spread since the late 1970s throughout the European States, in the form of a market ideology consisting of a rationalist assemblage of theoretical economic models and professional management techniques. The term 'New Public Management' was first introduced by academics from UK and Australia (e.g. Hood 1991, 1995; Hood and Jackson 1991), who were working in the area of public administration. This new term was coined to describe the new models of public-sector organization developing during the 1980s as part of a policy effort to make the public services provision more "businesslike" and to improve its efficiency by using private sector management models.

What do we mean by policy paradigm? The word paradigm refers first of all to a representation of the world - a way of seeing things - by a civilization living within a specific age. It is similar to what early-20th century German philosophers called a *Weltanschauung* (*Welt*, tr. world; and *Anschauung*, tr. vision, opinion, and representation). Hall (1993: 279) explains that a policy paradigm acts as an interpretive framework of reality that guide actors in policy-making: “policymakers customarily work within a framework of ideas and standards that specifies not only the goals of policy and the kind of instruments that can be used to attain them, but also the very nature of the problems they are meant to be addressing. Like a «*Gestalt*», this framework is embedded in the very terminology through which policymakers communicate about their work, and it is influential precisely because so much of it is taken for granted and unamenable to scrutiny as a whole. I am going to call this interpretive framework a policy paradigm.” The process whereby one policy paradigm comes to replace another is likely to be more political than scientific. Indeed, as Hall (1993: 280) says: “although the changing views of experts may play a role, their views are likely to be controversial, and the choice between paradigms can rarely be made on scientific grounds alone. The movement from one paradigm to another will ultimately entail a set of judgments that is more political in tone [...]. Faced with conflicting opinions from the experts, politicians will have to decide whom to regard as authoritative, especially on matters of technical complexity, and the policy community will engage in a contest for authority over the issues at hand.”

We design our research following this definition of paradigm (see Table I.1).

Research steps

As a first step, this PhD research looks at the way how the NPM paradigm penetrates the political discourse of European national parties on public sector reform. In line with the critical perspective underneath this study, we analyze

Research subject	Level of analysis	Critical stance	Empirical settings	Focus of analysis	Unit of analysis	Type of data	Methods
NPM paradigm	Macro	Unpacking ideology	European parties propaganda in support of NPM ideas	Diffusion of NPM ideas across the electoral manifestos of European national parties over the past fifty year	Party manifestos	Numerical (surveys and documents)	Quantitative
				Political, economic and institutional contexts within which NPM ideas have diffused across electoral manifestos			
			Governmental reforms based on NPM ideas	Welfare effects of NPM reforms in the rail service sector	Rail sector regulation		
	Meso	Unpacking control mechanisms and related conflicts	TEN-T program (in-depth case study of LT project)	Performance management mechanisms ensuring that EU-level goals are consistently being met across all the government levels involved in the TEN-T program	TEN-T organizational field	Textual (semi-structured interviews and documents)	Qualitative
				State-level institutional mechanisms contributing to the governance of the TEN-T program			
				Interactions among competing stakeholders concerned by the implementation of the TEN-T program			

Table I.1 – Research design

NPM as a form of ideology and focus on: (1) its diffusion across the electoral manifestos of European national parties over the past fifty years; and, (2) the political, economic and institutional factors which might have influenced this diffusion process. Party manifestos are important texts for analysis. We interpret them by adopting a longitudinal perspective, involving repeated observations of the same variable over a long period of time. As we explain further in this chapter, this variable is the number of statements that, in each party manifesto, enshrine NPM ideas.

As a second step, this PhD research looks at the way how the NPM paradigm is translated into a policy framework reform. Florio (2017) defines a Policy Framework Reform (PFR) as a set of new rules that public authorities introduce as a part of a wider reform effort - for example, a 'package' of EU directives and their implementation laws at national level. According to Florio (2017: 9), PFR changes are related to "an even more comprehensive shift, a change of the policy paradigm that is of the theory (sometimes of the ideology) supporting in general the way a government thinks about its policy". In line with the critical perspective underneath this study, we analyze the welfare effects of NPM-oriented PFR changes. The idea here is to evaluate whether a public services reform movement inspired to the NPM paradigm is welfare improving or not. As mentioned before, we choose rail services as the empirical context of this evaluation exercise. Over the last three decades, the European rail service sector has made the object of a profound re-structuration process inspired to the NPM paradigm. Four packages of EU directives (so called "Railway packages") have been approved at the supra-national level and implemented through legislative acts at the national levels by the Member States. Regulatory provisions are important texts for analysis. As suggested by Florio (2017), Economic Co-operation and Development (OECD). This database summarizes regulatory provisions in seven sectors: telecoms, electricity, gas, post, rail, air, and road. It contains a large amount of information

on regulatory structures and policies that is collected through a questionnaire sent to governments in OECD and non-OECD countries. The ETCR indicators refer to the textual content of laws and regulations and, thus, capture the ‘de jure’ policy framework. These indicators cover entry regulation, public ownership, vertical integration as well as market structure and range between 0 and 6. Higher values imply tighter regulation (OECD, 2016). Additionally, these indicators have been estimated in a long-time series and are therefore well suited for historical analysis.

As a third step, this PhD research looks at the way how the NPM paradigm is translated into organizational practices. We choose as empirical context the TEN-T program. We explain this choice by two main arguments. Firstly, as we extensively explained in section 1 of this introductory chapter, TEN-T is strictly intertwined with the implementation of the NPM-style PFR in the European rail service sector. Secondly, when looking at the organizational design of TEN-T (rules, roles, and tools), we find a clear compliance with the NPM paradigm³. In line with the critical perspective underneath this study, we analyze the TEN-T organization by unpacking existing control mechanisms and conflicts. In fact, as we explained above, the implementation of this program has been characterized by the increasing opposition of local stakeholders in many EU’s Member States: Italy and France (LT project), Germany (Stuttgart project), Spain (Basque Y project), UK (HS2 project). LT project is certainly the most emblematic of existing opposition movements. Thanks to an in-depth case study of this project, we explore different aspects related to the governance of TEN-T projects. The governance of these projects takes place in highly complex empirical settings characterized by (a) multilevel, (b) transnational and (c) pluralist environments. Therefore, our analysis will pay attention to the following aspects: (a) the performance management mechanisms used by the European Commission to

³ More details about relationship between the NPM paradigm and the organizational design of TEN-T are provided in the introduction of Part 2 of this PhD dissertation.

ensure that planned goals are consistently being met across the different government levels involved in the governance of TEN-T projects; (b) the institutional mechanisms that, within the national contexts of the Member States, enact EU-level performance management mechanisms and contribute to the governance of TEN-T projects; and, (c) stakeholders' competing views of TEN-T projects and their impact on the project implementation. As we explain further in this chapter, data concerning the TEN-T program, and the LT project, are based on semi-structured interviews and documents that the author has personally collected between 2014 and 2016.

Following the above-mentioned steps, we divided this dissertation in two parts. In Part 1, we present the NPM paradigm from a macro-level perspective. The focus at this level is on how this paradigm develops through the electoral discourse of European national parties and is translated into actual reform plans by governments, in the context of railways. In this part we mainly use quantitative methods of analysis and lay down the bases for a broader reflection on the political economy approach to NPM. In Part 2, we present the NPM paradigm from a meso-level perspective. The focus at this level is on how this paradigm is translated into action within the multilevel, transnational and pluralist settings of a TEN-T project. In this part we mainly use qualitative methods of analysis and study the strategic organization of an NPM project at the field level.

Epistemological positioning

The objective of this dissertation is to shed light on the political economy and organization of NPM. From an epistemological point of view, historicity is a shared concern of both political economists and organization scientists.

Political economists believe that the truth about economic phenomena does not lie merely in abstract mathematical logics. They rather think that it is also very

important to observe economic processes in their settings through a combination of economic history and history of economic thought (Varoufakis 2016). The former allows researchers to understand these processes by locating them historically, whereas the latter allows them to reconnect economic theories about these processes to the institutional environments that have favored their rise and, eventually, their fall. Based on this perspective, the first step of this PhD dissertation is to look at the way how NPM paradigm has unfolded over time in connection to its politico-economic context.

Time is also an important aspect for organization scientists, namely for those who are interested in the study of organizational change. By definition the word 'change' refers to a difference in a state of affairs at different moments in time. According to the Cambridge dictionary, this word describes the *act*⁴ of becoming different. Action and time are thus key factors to understand organizational change. These two factors can be jointly considered in the study of organizations by adopting a processual perspective, designed to investigate how organizational change takes place through a series of stages. In this processual tradition, the word process refers to a sequence of events whose interpretation allows understanding how things change over time (Van de Ven 1992) in their organizational, societal and political context (Pettigrew 1985, 1987, Van de Ven et al. 1999). Based on this perspective, the second step of this PhD dissertation is to look at the way how the NPM paradigm is translated into contextualized action.

Because of the importance we give to the history of contextualized events, we draw on interpretivism as epistemological posture. Unlike inert objects in natural

⁴ The English word *act* comes from Latin *actus* whose meaning is: action, deed, delivery, performance; but also a doing, a driving, a setting in motion or a part in a play. This noun has clear roots in the Latin verb *āgĕre* whose meaning is: to set in motion, to drive, to drive forward, to do or to perform. This is a verb with a broad range of meaning in Latin, including "act on stage, play the part of; plead a cause at law; chase; carry off, steal;"

sciences, the NPM paradigm is a social construction made and used by actors (e.g. politicians, managers, lobbyists, citizens, voters) in specific space-time conditions. These actors have consciousness and subjective motivations which influence the way they make sense of reality. To access this subjective dimension of reality, we adopt an interpretivist epistemology. This considers all facts as social actions (artifacts) occurring inside a context that is part of a social-historical continuation (e.g. Klikauer 2015). From this perspective, any access to such complex arti-facts is mainly through the language, consciousness and shared meanings of all concerned actors (Meyers 2008). All knowledge, thus, is formed inside a living context that is part of a socially constructed framework.

Following this historical-interpretivist epistemology, this PhD research focuses, firstly, on the history of the NPM ideology in Europe and, secondly, on the history of a European public project inspired to NPM ideas. In both cases, we draw on information coming from the actors directly involved in the observed phenomenon. On the one hand, we use documents produced by political parties and governments to retrace the history of the NPM ideology. On the other, we use semi-structured interviews and documents - that the author collected between 2014 and 2016 – to retrace the history of a NPM project.

Dissertation structure

Following the above-mentioned research design, this PhD dissertation is structured in two parts (see Figure I.1).

In Part 1, we present the NPM paradigm from a macro-level perspective. The focus at this level is on how this paradigm develops through the electoral discourse of European national parties and is translated into actual reform plans by governments, in the context of railways. In Part 2, we present the NPM paradigm from a meso-level perspective. The focus at this level is on how this

paradigm is translated into action within the multilevel, transnational and pluralist settings of the LT project. While Part 1 aims to shed light on the political economy of NPM reforms, Part 2 wants to deepen our understanding of the organizational practices associated with the NPM model. Additionally, in line with the critical perspective of this dissertation, Part 1 focuses on the ideology underneath NPM reforms whereas Part 2 focuses on the control mechanisms and latent conflicts underneath the NPM model in the context of the LT project.

Part 1 consists of three essays. On the one hand, essays 1 and 2 analyze the relationship between NPM reforms, political ideology, and public expressions of support for these reforms by political parties. On the other, essay 3 analyzes the implementation of these reforms in the context of European railways. These three essays are built upon the following research questions:

(RQ1): *Have NPM reforms been construed as a technical, rational analytic and evidence-based domain, disconnected from party political life; or, conversely, have these reforms been characterized by a growing political profile over time?*

(RQ2): *In which political, economic and institutional contexts have European national parties used NPM ideas to compose their electoral manifestos?*

(RQ3): *What is the effect of EU-driven NPM reforms on prices, quality and investments in the rail services sector?*

Part 2 consists of 3 essays. Essay 4 analyzes the organization of LT by considering its multilevel settings. It explores how supra-national performance management mechanisms influence stakeholders interactions within the national institutional contexts where LT is implemented. By analyzing the use of these mechanisms, this essay explains how intellectual technologies can be used to shape collective behavior in the public arena.

Essay 5 analyzes the organization of LT by considering its transnational settings. It explores how different institutional mechanisms, in Italy and France, affect differently the implementation of LT, in the national contexts involved. By analyzing these mechanisms in different national contexts, this essay explains how institutions shape the conduct of complex public initiatives.

Essay 6 analyzes the organization of LT by considering its pluralist settings. It explores how we explore how stakeholders' competing views of LT influence its implementation. By analyzing how different stakeholders develop competing views of LT, this essay explains how different groups in society may come to collide and affect the conduct of complex public initiatives. Essays 4, 5 and 6 ask are built upon the following research questions:

(RQ4): *How do supra-national performance management systems influence the interactions between LT stakeholders at the national levels?*

(RQ5): *How do national institutions influence LT implementation in Italy and France?*

(RQ6): *How do stakeholders with divergent views about LT interact and influence LT implementation at the national levels?*

Finally, essay 7 provides a meta-analysis analysis of essays 4, 5 and 6. Drawing on Pettigrew's contextualism, this essay opens a general reflection on the strategic organization of LT and, more generally, on the governance of the TEN-T program and NPM model.

At the end of Part 1 and 2, we provide a critical discussion of our main findings in each of these parts. The concluding chapter contributes to this discussion by presenting the major implications of this PhD research as well as the future lines of investigation.

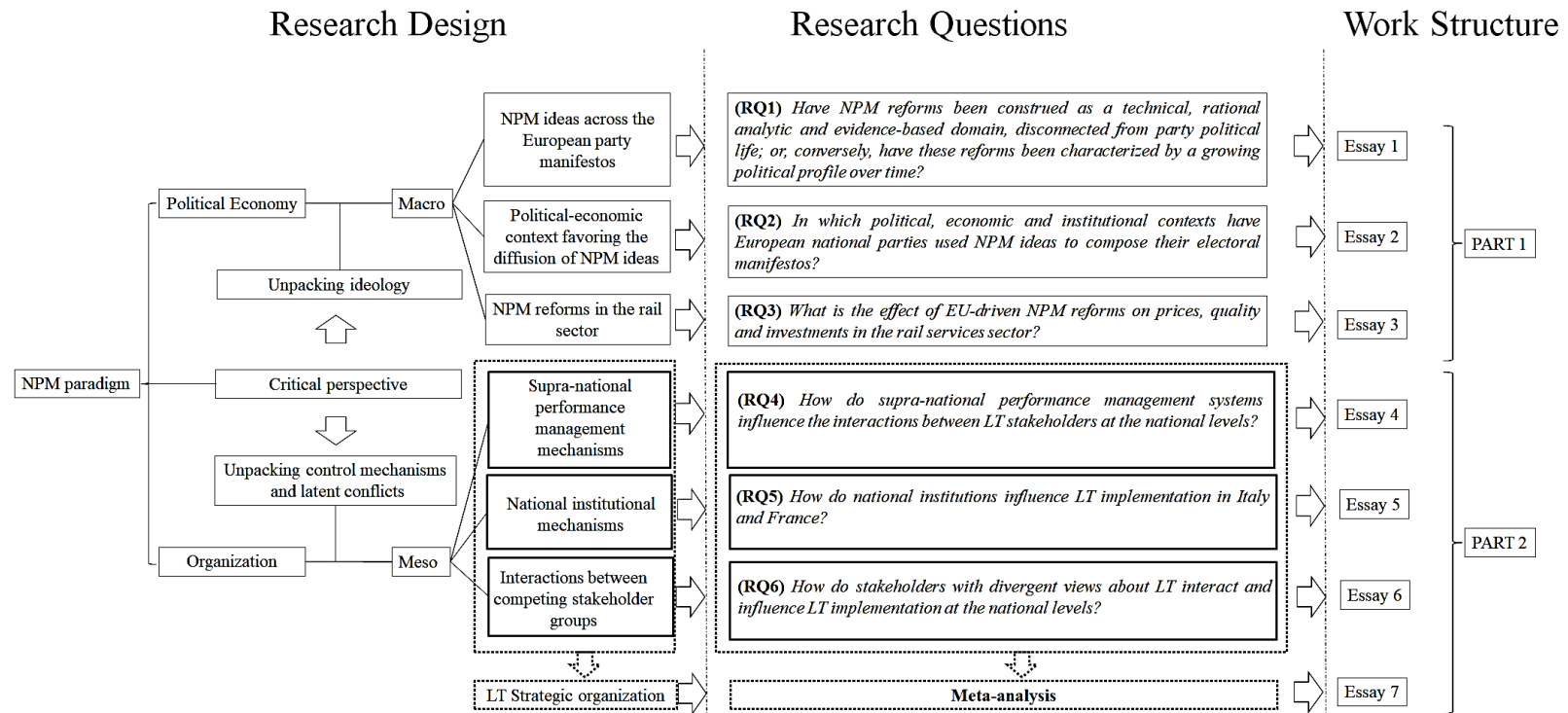


Figure I.1 – Research questions and work structure

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PART 1 – THE NPM PARADIGM

Introduction

Gruening (2001) provides a historical overview of the development of public administration theory from its classical approach (Weberian bureaucracy) to the most recent NPM paradigm. His analysis starts in the 1930s, when the USA – under the Presidency of Franklin D. Roosevelt - adopted the New Deal in response to the Great Depression. This was a series of federal programs, public works, financial reforms and regulations whose implementation dramatically expanded the scope of government activity and the principles of public administration. Its focus was on the three *Rs* of *relief*, *recovery*, and *reform*: relief for the unemployed and poor, recovery of the national economy, and reform of the financial system to prevent a repeat depression (Berkin et al. 2015). As referred by Văduva (2016), the government became more involved in private lives: it regulated more activities; it followed social-democratic ideals; it seemed to be built on scientific objectivity; and it promised material freedom (Egger, 1975; Waldo, 1948; Van Riper, 1987). Gruening (2001) calls this set of organizational patterns - and the closely related ethos of orderly government - an active state, and label the belief in objective knowledge that serves to control the social and physical environment classical public administration. From a theoretical point of view, this classical model has its roots in Max Weber's "Economy and Society". In this work the author presents not only the key features of modern bureaucracies - whether public or private - but also the political economic conditions which have favored their emergence. Following Kenneth (2005), we resume these conditions as follow: the external pressures of a monetary economy requiring a more efficient administrative system; the ongoing democratization and rationalization of culture which produced a political demand for equal treatment of administrative staff; an increase in the amount of space and

population being administered, as well as an increase in the complexity of the administrative tasks being carried out.

As explained by Gruening (2001), after World War II, academics began to reassess and question the principles of classical public administration. One of the most rigorous critics was Herbert A. Simon (1976), who said that the principles of classical public administration were not scientific, but inconsistent proverbs drawn from the common sense. He suggested re-founding public administration theory on the basis of rigorous scientific methods exploring the fundamental laws of human behavior. In his work, he defined rational decision making as a process where individuals – characterized by bounded rationality - select the alternative that results in the more preferred set of all the possible consequences. From his perspective, two key parameters to measure the correctness of administrative decisions were the effectiveness and efficiency with which desired objectives were achieved. Simon's (1976: 82) aim was to grasp the techniques and behavioral processes enabling individuals and organizations to achieve approximately the best result given limits on rational decision making: "The human being striving for rationality and restricted within the limits of his knowledge has developed some working procedures that partially overcome [real world] difficulties. These procedures consist in assuming that he can isolate from the rest of the world a closed system containing a limited number of variables and a limited range of consequences". Simon employed the theoretical underpinnings of welfare economics and decision theory (Gruening 2001). He therefore described organizational behavior by adopting an economic framework adjusted to inherent human cognitive limitations (human bounded rationality). His major contribution was to provide a model of human behavior capable of serving as the micro-level foundation for organizational and policy studies.

Economic rationalism in public sector reasoning

In the 1960s, public-choice theorists drew on Simon's micro-level perspective of collective behavior and developed their own approach to the study of the public sector organizations. As explained by Gruening (2001), the main event of the institutionalization of this approach was the creation of the Thomas Jefferson Center for Studies in Political Economy and Social Philosophy at the University of Virginia. This was founded by James Buchanan and Warren Nutter with the aim of creating a platform for all those scholars who were interested in a society based on individual freedom (Buchanan 1986). By using methodological individualism, their research sought to explain social phenomena by aggregating the behavior of individuals. The key assumption of this approach was that individuals pursue their own aims and act according to their preferences. However, as highlighted by Gruening (2001: 5), this assumption was based upon a different concept of rationality than Simon did: "From the public-choice perspective, rationality is not bounded compared with a theoretical optimum; rather, rational behavior is when a person acts to pursue his or her aims according to his or her knowledge of the situation." Gruening (2001) provides as example the work of Tullock (1965) – a public-choice theorist known for the application of economic thinking to political issues – explaining that a Native-American who believes that rain-dancing produces rain and who begins to dance in a severe drought is behaving rationally. This way, public-choice theorists could deductively develop highly-sophisticated mathematical models explaining social phenomena from a set of assumptions about individuals' aims and their information about their situations. In tandem with the Chicago School of Law and Economics, public choice theory contributed to analyze legal and bureaucratic decisions in terms of the private interests that they served, and to assess their impact on aggregate efficiency (Davies 2017).

Based on these new theoretical premises, in the late-1970s American (e.g. R. Reagan) and European (e.g. M. Thatcher) politicians initiated a new era of reforms whose aim was to reinvent the public sector organizations along private sector managerial lines. This reform movement will have later taken the name of “New Public Management” (Hood 1991, 1995). The three *Rs* of *relief*, *recovery*, and *reform* that had dominated Western political programs in the early-20th century disappeared by the late years of this century and were replaced by “the three *Es* of *economy*, *effectiveness* and *efficiency*” (Hendriks and Tops 2003: 319).

In Part 1 of this PhD dissertation, we investigate: **(1)** how NPM reforms have spread across the political programs of European parties since the 1950s; **(2)** the political, economic and institutional factors which have led European politicians to formulate their programs on the basis of NPM principles; and **(3)** the ex-post impact of NPM reforms in a selected case of public service sector, namely the case of European railways.

The case of European railways

Network services such as electricity, natural gas, telecommunications, transport and water are crucial factors of economic well-being as they offer society the opportunity to coordinate large and complex flows of essential goods, people or services (Florio, 2013). Until the 1980s, most of these services in Europe were provided by vertically integrated state-owned monopolies. Then, following the wave of NPM reforms in the organization of national public sectors, many governments dismantled state-owned enterprises: “Europe has been at the forefront of change. Elsewhere, in the USA, Latin America, Asia, and in formerly planned economies, there have been similar reforms, but perhaps nowhere have they been so consistently implemented as in the European Union. In the past two decades, first in the UK, then subsequently in all the other EU member states,

governments have increasingly moved away from the direct provision of public services, from ownership of utilities, and from franchised monopolies. Ministries and independent regulators have shown a greater reliance on market mechanisms, and now consider the network service providers as market players” (Florio 2013: 5).

Among all the network services, we select the case of European railways. We chose this case because over the last decades the rail sector has been profoundly restructured on the basis of the NPM model. Until the 1980s, rail services were considered as a public service and were thus provided by vertically integrated state-owned monopolies. Then, throughout the 1980s, many European governments came to frame them as market services. State-owned enterprises were thus progressively dismantled under the pressures of EU-driven liberalization policies.

At the national levels, a key role in the re-organization of national railways was in fact played by the innovations introduced by the EU regulations. Thanks to the commitment of the European Commission, new regulatory instruments (Directive 91/440 and four railway packages in 2001, 2004, 2007 and 2016) altered the organization of national industries within the Member States of the EU. These instruments led national governments to ensure open access to railway infrastructures and fair competition between railways undertakings for freight and international passenger services. The overall objective was the creation of a single European market for the free circulation of rail services across all the Member States of the EU.

In this regard, a key policy document is the European Commission’s (1996: 3) white paper ‘A Strategy for Revitalising the Community’s Railways’, stating that: ‘the railways have been largely insulated from market forces. Governments have a certain responsibility in that as they often did not allow sufficient managerial

independence and imposed obligations without compensating fully for the costs involved; they also failed to set clear financial objectives but subsidized losses or let debt pile up [...] A new kind of railway is needed. It should be first and foremost a business, with management independent and free to exploit opportunities, but answerable for failure. For this it should have sound finances, unencumbered by the burden of the past. It should be exposed to market forces in an appropriate form which should also lead to a greater involvement of the private sector. A clear division of responsibilities is required between the State and the railways, particularly for public services.’

Through the use of regulation, the EU has prompted liberalization policies intended to: (1) allow new entrants to compete with each other and, mainly, with incumbent operators; (2) create the proper market conditions compelling companies to adopt price competition systems. However, beside regulatory instruments, a key role was also played by economic instruments. These were mobilized to finance the EU-level investment policy in Trans-European Networks (TENs). The TENs policy was aimed to support the interoperability of national infrastructure systems, a very important factor for the success of ongoing liberalization policies.⁵

Interoperability is crucial for the creation of a single European market because in the EU there many different national transport systems that have evolved each in their own way over the past years. Their technical standards are different, and this is clearly an obstacle to cross-border traffic. Therefore, this is also an obstacle to cross-border competition. For example, with international trains it is usually the case that the engine has to be changed at the frontier station. In especially difficult cases passengers must change trains or goods must be reloaded. There is also a

⁵ See Directives 2016/797, 2014/106/EU, 2014/38/EU, 2013/9/EU 2011/18/EU, 2009/131/EC, 2008/57/EC.

need to harmonize infrastructure because of, for example, differences in platform heights or command and signaling systems. In the railway sector different gauge widths, electrification standards and safety and signaling systems made it more difficult and more costly to run a train from one country to another. In this situation, the European transport market was fragmented - and no liberalization initiative could be really effective - because each national transport network could be used only by those operators having a rolling stock apparatus complying with the national market standards.

It is worth noticing that, from the EU perspective, the implementation of the NPM model – by means of both regulatory and economic instruments – was of strategic importance to improve railways competitiveness. On the one hand, the above-mentioned regulation was introduced by the EU to enhance the business environment of rail sector undertakings and, by doing so, lowering costs. On the other, the economic instruments provided by the TENs' policy were aimed at stimulating state-level investments in modern railways systems, such as High-Speed Rail (HSR) systems. These systems were aimed at rendering railway services more competitive than those provided by roads and airways. In fact, before the arrival of HSR services, railways were constantly losing market share in favour of roads (mostly for freight traffic) and air (mostly for passengers). Then, in 1981 the introduction of HSR services in Europe with the inauguration of the Paris-Sud-Est line was a break point for air, road and rail market share. HSR technology paved the way for the modernization of rail transport systems. Both the EU and national rail industries came to consider it as a strategic asset to make railways more competitive than roads and airways on medium and long distance trips. For this reason, in 1994, the EU established the Trans-European Network – Transport (TEN-T) investment program, the most important EU

financial framework to support state-level investments in new railway infrastructures and, namely, HSR.⁶

Data collection and methods

NPM reforms to government are led by elected ministers who are themselves leading members of political parties. Ministers are elected on the basis of a party manifesto which contains collective commitments and aspirations, and which can be seen as an important text for analysis. The relationship between NPM reforms, political ideology and public expressions of support for these reforms by political parties has been relatively under-explored in the literature and is the gap we address here. We therefore adopt electoral manifestos as units of analysis and retrieve data from the Comparative Manifesto Database (CMD - Budge et al., 2001; Klingemann et al., 2006). The CMD classifies the information included in electoral programs into 56 categories that represent parties' positions on several policy issues (i.e. external relations, political system, economy, welfare, migration etc.). It measures to what extent a specific position on a policy issue is salient for parties during a particular election; saliency is measured by looking at the share of quasi-sentences in each electoral program which are devoted to that specific position. In recent years, CMD data have been extensively used by political scientists and economists (i.e. Cole, 2005; Netjes and Binnema, 2007; Kluver, 2009; Facchini et al., 2017). One variable in the CMD can be used to empirically investigate the saliency of NPM reforms in national parties' political programs. This is the CMD's Per303 variable which measures the shares of quasi-sentences in party manifestos which are devoted to the following topics: "the need for efficiency and economy in government and administration, cutting down civil

⁶ This became particularly clear in 2004 when TEN-T investment guidelines funded the realization of 30 priority projects: of these 30 projects, 18 related to rail and, of these 18 projects, 14 specifically to HSR.

service, improving governmental procedures or making the process of government and administration cheaper and more effective” (CMD codebook: 10). We analyze this variable – and the relationship it has with external political, economic and institutional factors - by means of two key statistical techniques: a one way analysis of variance (ANOVA); and, Ordinary Least Squares (OLS) (further methodological details are available respectively in essays 1 and 2 of this PhD dissertation).

We conclude Part 1 by assessing the impact of NPM reforms in a selected case of public service reform. We choose European railways as a case for analysis in order to investigate how the implementation of NPM reforms has influenced the level of prices, quality and investments of rail services. The aim of this section is to investigate whether the introduction of NPM-style regulations in a country is associated with an improvement of user prices and quality, as well as investment in new infrastructures. More specifically, we merge several datasets from the ETCR database (OECD 2016), European Commission (2014, 2016) and DICE Database (2014) to analyze the relationship between (a) rail sector regulatory regimes and (b) consumer prices for rail passenger services, (c) quality of the service as perceived by users and (d) railway infrastructure investments. We use OLS to analyze the relationship between these four variables.

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1. A spreading managerialist ideology of public sector organization: NPM reforms in the European party manifestos (Essay 1)

Abstract

During the past 50 years, European public sectors have undergone a profound process of organizational change, where managerial tools and principles from the private sector have permeated through governments and administrations of many countries. A substantial amount of academic literature has now been devoted to public management reforms. Many scholars have associated them with the diffusion of a managerialist ideology. However, the relationship between public management reforms, political ideology, and public expressions of support for these reforms by political parties has been a relatively under-explored topic within the literature and is the gap we address in this article. Using a longitudinal framework of study, our analysis shows how issues surrounding managerialist reforms have evolved across the electoral manifestos of European parties during the past 50 years. Our findings reveal that these reforms have enjoyed a growing political profile over time in many countries within Western and Eastern Europe. Furthermore, we also examine and discuss the differences and similarities of these reforms across countries.

Keywords: electoral programme, managerialism, New Public Management, party manifestos, public sector reform

This essay was written with Ewan FERLIE⁷ and Giuseppe Lucio GAETA⁸.

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1.1 Introduction

In the mid-20th century Burnham (1941) asserted that, as of the early years of this century, American state agencies came progressively to be dominated by a new ruling class of managerial professionals. This “managerial revolution” occurred in the wave of the opposition against the extension of government ownership and the setting up of new bureaus and governmental bodies. These were object of a constant stream of propaganda which depicted them as ridden with inefficiencies compared with private businesses (Burnham, 1941; Preston and Post, 1974).

During the past fifty years, European public sector organizations have experienced the same process of change where private sector managerial tools and principles have spread across both central and local governments with the aim of improving effectiveness, efficiency and economy (Aucoin, 1990; Hood, 1995; Walsh, 1997; London, 2002). Many scholars have associated this process of change with the diffusion of managerialism (Clarke and Newman, 2004; Saint-Martin, 1998; Pollitt and Bouckaert, 2011).

Managerialism differs from management. The latter defines a set of practices in organizations involving the definition of objectives and the linking of appropriate resources and work structures to their pursuit, whereas the former refers to a set of ideas based on the assumption that organizations can only work properly if decision-making is placed in the hands of professionally-trained managers (Enteman, 1993; Parker, 2002). In the context of public sector organizations, managerialism is synonym of New Public Management (NPM) (Pollitt, 1990; Hood, 1991; Hood and Peters, 2004) and is based on the belief that the public sector would work better if it takes on private sector management as an organizing principle. Taking as a basis the NPM model, many national governments have implemented managerial reforms that have introduced private

sector values of efficiency and productivity in the administration of public bodies, on the assumption that the former are superior to the latter (Lynch et al., 2012; Pollitt, 2013).

A substantial amount of academic literature has now been devoted to the topic of managerialist reforms. Ferlie et al. (1996) have focused on the managerial logic behind these reforms in the context of the UK, a leading NPM jurisdiction. Aucoin (1990) and Hood (1991) suggest that a key declared purpose of NPM reforms is to move from the traditional Weberian/bureaucratic model to a more customer-oriented and flexible management style which is grounded in private sector approaches. Some scholars (Pollitt, 1990; Clarke and Newman, 2004) have rather focused on the normative foundations of NPM reforms and have noticed that these are the outcome of a neoliberal ideology believing that greater efficiency and effectiveness in the delivery of public services could be achieved through the use of management practices derived from the corporate world. Following this perspective, Enteman (1993) has investigated the managerialist conception of society, and Parker (2002) its core beliefs with regards to the organization of human interactions in society. Other studies have focused on the consequences of managerialism by highlighting its impact not only in the provision of basic public services (i.e. Trowler, 1998), but also the extent to which public decision-making processes are independent from external private actors (i.e. Saint-Martin, 1998).

NPM reforms to government are of course led by elected ministers who are themselves leading members of political parties. Ministers are elected on the basis of a party manifesto which contains collective commitments and aspirations, and which can be seen as an important text for analysis. The relationship between NPM reforms, political ideology and public expressions of support for these

reforms by political parties has been relatively under-explored in the literature and is the gap we address here.

Recent studies suggest that national parties are key players for the promotion of NPM reforms: they are important to secure voters' support to managerialist values and – once in power – are crucial to effectively transform values into national reform plans (Esposito et al., 2016). Nevertheless, the primary focus of this research was mainly party manifestos released in Europe between a relatively short time period (1997-2011) and has not provided any comprehensive historical picture about the spread of NPM across national party manifestos.

This paper is the first to systematically map political party commitments to NPM reforms over a much longer time period. The Comparative Manifesto Database (CMD - Budge et al., 2001; Klingemann et al., 2006) is used to collect data on political parties, and more specifically quantitative information on the content of parties' electoral programs. By studying national parties' political rhetoric from a longitudinal perspective (Pettigrew, 1990), this article offers a new angle on an old research topic. It explores the evolution of the importance of NPM reforms across national parties' manifestos in Europe during the last six decades. It answers the following question: have NPM reforms been construed as a technical, rational analytic and evidence-based domain, disconnected from party political life; or, conversely, have these reforms been characterized by a growing political profile over time?

The paper is structured as follows. Section two examines the relevant literature on public-sector managerialism and formulates a number of hypotheses with regards to how NPM reforms have evolved across national parties' manifestos in Europe during the last six decades. Section three describes the process of data collection and the methodology used in order to test the theoretical conjectures. Section four

presents the findings of our empirical tests, which are then extensively discussed in section five. Finally, section six provides the overall conclusions.

1.2 Managerialism in European party manifestos: insight from the literature

In the context of public sector organizations, NPM is the best-known and most important manifestation of managerialism (Pollitt, 1990, 2014). As we explore further below, a great amount of scientifically accredited publications have focused on the country-level implementation of NPM reforms. Nevertheless, theory development continues to be insufficient for those who wish to learn more about the importance devoted to this topic by national parties. On the basis of existing literature, a number of theoretical hypotheses can be formulated with regards to the evolution of these reforms across national party manifestos in Western and Eastern Europe.

1.2.1 Western Europe

In many Western European countries, managerialist values have increasingly dominated the societal discourse of the 21st century and NPM reforms have become increasingly important across many electoral programs (Klikauer, 2013). Many authors (Aucoin, 1990; Dunsire, 1995; Gruening, 2001) hold that these values coalesced into a homogeneous system of beliefs during the 1950s and 1960s with the rise of new institutional economics and public choice theory (Downs, 1957; Niskanen, 1971; Buchanan, 1972). They came to fruition in the late 1970s and early 1980s, when a “striking international trend” (Hood, 1991) of reform initiatives took place in several Western countries with the aim of modernizing the public sector through the use of private sector techniques and market based strategies grounded on efficiency and effectiveness (Pollitt, 1990; Ridley, 1996). Throughout the 1990s, NPM was widely accepted as the “gold standard for administrative reform” (Peter, 1997: 71). These theoretical elements

suggest that NPM ideas consolidated to form a set of homogenous reform beliefs during the 1950s and 1960s and became increasingly prominent after the 1980s. The first hypothesis is thus formulated as follows:

H1. *The 1950s saw an increasing importance of NPM reforms in party manifestos in Western European countries, which have become even more prominent after the 1980s.*

An abundant stream of the literature (Pollitt et al., 2007; Green-Pedersen, 2002; Goldfinch and Wallis, 2009) states that NPM reforms were introduced primarily in Anglo-Saxon and Scandinavian economies and subsequently in other Western European countries – i.e. France (Cole and Jones, 2005) Germany (Reichard, 2003), Italy (Ongaro, 2009), Spain (Barzelay and Gallego, 2010). However, Southern European countries were laggards in the adoption of the NPM model because clientelism – instead of managerialism – was the driver for the distribution of resources in the public sector (Ongaro, 2008; Ongaro et al., 2013). Based on these theoretical elements, it could be expected that managerialist reforms were more important in Northern European party manifestos than in Southern European ones. Therefore, the second hypothesis is formulated as follows:

H2. *The importance of NPM reforms in party manifestos was higher in Northern European rather than in Southern European countries.*

NPM reforms were pursued by both right-wing and left-wing governments in Westminster democracies (Hood, 1995). However, overt advocacy of NPM ideas was primarily due to a conservative neo-liberal economic movement responding to the economic and fiscal problems which damaged many European countries in the 1970s and 1980s (Mascarenhas, 1993; Deakin and Walsh, 1996). These problems led to a rethinking of state-led development: “by the late 1970s there

was increasing criticism by the New Right neoliberals of the size, cost and the role of government, and doubts about the capacity of governments to rectify economic problems. The Keynesian welfare state was seen as a monopoly provider of services and as fundamentally inefficient.” (Larbi, 1999: 13). Following the above-mentioned theoretical elements, the third hypothesis is formulated as follows:

H3. *The importance of NPM reforms was significantly higher in right wing rather than in left wing party manifestos after the 1970s.*

1.2.2 Eastern Europe

Eastern European countries embarked on transforming national public administrations following the fall of the Soviet Union. During the 1990s, the World Bank (1996) strategy in this region supported a number of reform measures with a strong emphasis on macroeconomic stabilization, liberalization and privatization. European integration policies have also played a key role given that the European Union’s (EU) conditionality in public-administration development was particularly emphasized during the two Eastern enlargements in 2004 and 2007 (Drechsler and Randma-Liiv, 2014). However, the EU’s coercive pressures cannot alone explain the transition towards the managerialist model of public administration as their requirements are usually much softer than traditional NPM reforms (Pollitt and Bouckaert, 2011). Toonen (1992) indicates a wider process of acculturation during which the centralized socialist model was discredited in favour of decentralization and privatization. Hughes et al. (2005: 13) refer that “the rhetoric surrounding enlargement and EU conditionality was strongly imbued by a *mission civilisatrice* approach of ‘Europeanization’.” As argued by Breckner et al. (2000), everything that was coming from the West - namely Europe – was considered a model to be imitated in order to favour integration into the Western world.

Because of supranational and international pressures on this region, one would expect that since the adoption of democratic institutions in the 1990s, Eastern European parties would devote high importance to NPM reforms. Moreover, one would also expect that ongoing Europeanization processes might have reduced the ideological differences between right-wing and left-wing political positions and have resulted in the homogenization of party supply with regards to NPM. Therefore, the fourth and fifth hypotheses are respectively formulated as follows:

H4. *Since the 1990s the importance of NPM reforms in party manifestos of Eastern European countries has grown rapidly.*

H5. *In Eastern European countries there are no significant differences between right- and left-wing party manifestos in terms of the importance given to NPM reforms.*

1.3 Data and analysis

This study adopts a longitudinal analytical framework (Pettigrew, 1990) to uncover patterns of change in the way in which NPM ideas have spread across European party manifestos during the past fifty years. We have adopted electoral manifestos as units of analysis and we have retrieved data from the CMD database (Budge et al., 2001; Klingemann et al., 2006). The CMD classifies the information included in electoral programs into 56 categories that represent parties' positions on several policy issues (i.e. external relations, political system, economy, welfare, migration etc.). It measures to what extent a specific position on a policy issue is salient for parties during a particular election; saliency is measured by looking at the share of quasi-sentences in each electoral program which are devoted to that specific position. In recent years, CMD data have been extensively used by political scientists and economists (i.e. Cole, 2005; Netjes and Binnema, 2007; Kluver, 2009; Facchini et al., 2017).

One variable in the CMD can be used to empirically investigate the saliency of NPM reforms in national parties' political agendas. This is the CMD's Per303 variable which measures the shares of quasi-sentences in party manifestos which are devoted to the following topics: "the need for efficiency and economy in government and administration, cutting down civil service, improving governmental procedures or making the process of government and administration cheaper and more effective" (CMD codebook: 10). This variable adequately describes the core values of NPM. Indeed, according to many scholars (Hood, 1991; Clay, 1994; Trowler, 1998; Hendriks and Tops, 2003), NPM can be described through the three *e*'s of *e*conomy, *e*fficiency and *e*ffectiveness. In addition, academic studies on NPM reforms have already used Per303 to quantify parties' rhetoric on this topic (Esposito et al., 2016).

During the process of data collection, we have limited our sample to the EU-28 countries – minus Cyprus and Malta which had to be excluded due to the very limited data availability. Table 1.1 shows the electoral years considered for each country in our sample. For Western European democracies data is available since the year 1950, whereas for Eastern European countries only the post-communist period was surveyed; restrictions also apply to Spain, Portugal and Greece, for which the CMD only covers the post-dictatorial years (respectively from 1974, 1975 and 1977).

This research provides evidence about Per303's over-time trend during the last six decades (1950-2010). By using the Per303 variable, we are able to observe the average presence of NPM declarations in parties' manifestos in each country during the elections held in every decade following the year 1950. Indeed, the CMD Per303 data allows us to measure the share of quasi-sentences devoted to NPM-related topics in the electoral manifestos that were released before every

Sweden	1952	1956	1958	1960	1964	1968	1970	1973	1976	1979	1982	1985	1988	1991	1994	1998	2002	2006	2010						
Denmark	1950	1953	1957	1960	1964	1966	1968	1971	1973	1975	1977	1979	1981	1984	1987	1988	1990	1994	1998	2001	2005	2007	2011		
Finland	1951	1954	1958	1962	1966	1970	1972	1975	1979	1983	1987	1991	1995	1999	2003	2007	2011								
Belgium	1950	1954	1958	1961	1965	1968	1971	1974	1977	1978	1981	1985	1987	1991	1995	1999	2003	2007	2010						
Netherlands	1952	1956	1959	1963	1967	1971	1972	1977	1981	1982	1986	1989	1994	1998	2002	2003	2006	2010							
Luxembourg	1951	1954	1959	1964	1968	1974	1979	1984	1989	1994	1999	2004	2009												
France	1951	1956	1958	1962	1967	1968	1973	1978	1981	1986	1988	1993	1997	2002	2007										
Italy	1953	1958	1963	1968	1972	1976	1979	1983	1987	1992	1994	1996	2001	2006	2008	2013									
Spain	1977	1979	1982	1986	1989	1993	1996	2000	2004	2008	2011														
Greece	1974	1977	1981	1985	1989	1990	1993	1996	2000	2004															
Portugal	1975	1976	1979	1980	1983	1985	1987	1991	1995	1999	2002	2005	2009	2011											
Germany	1953	1957	1961	1965	1969	1972	1976	1980	1983	1987	1990	1994	1998	2002	2005	2009	2013								
Austria	1953	1956	1959	1962	1966	1970	1971	1975	1979	1983	1986	1990	1994	1995	1999	2002	2006	2008							
Great Britain	1950	1951	1955	1959	1964	1966	1970	1974	1979	1983	1987	1992	1997	2001	2005	2010									
Ireland	1951	1954	1957	1961	1965	1969	1973	1977	1981	1982	1987	1989	1992	1997	2002	2007	2011								
Bulgaria	1990	1991	1994	1997	2001	2005	2009																		
Croatia	1990	1992	1995	2000	2003	2007	2011																		
Czech Republic	1990	1992	1996	1998	2002	2006	2010																		
Estonia	1992	1995	1999	2003	2007	2011																			
Hungary	1990	1994	1998	2002	2006	2010																			
Latvia	1993	1995	1998	2002																					
Lithuania	1992	1996	1996	2000	2004	2008	2012																		
Poland	1991	1993	1997	2001	2005	2007	2011																		
Romania	1990	1992	1996	2000	2004	2008																			
Slovakia	1990	1992	1994	1998	2002	2006	2010	2012																	
Slovenia	1990	1992	1996	1996	2000	2004	2008	2011																	

Table 1.1 - Elections considered by country (1950 – 2010).

national election. We took the average of these elections per country and per decade. This means that for each decade and country we know the average importance of NPM in the electoral manifestos released by the parties that took part in national elections. Data are organized by decade following Jackobi (2011); this allows preventing fluctuations due to one particular election under observation.

In order to support or reject H3 and H5, this research investigates whether the saliency of public-sector managerial reforms was higher in right-wing party manifestos rather than in left-wing party manifestos from 1950 until 2010. The CMD original dataset defines the political orientation of parties by considering the following categories: Ecologic, Communist, Social Democratic, Liberal, Christian Democratic, Conservative, Nationalist, Agrarian, Ethnic/Regional, and Special-Issue Parties. Starting from this classification, and following Facchini et al. (2017) and Esposito et al. (2016), we aggregated parties in two broader categories: right-wing and left-wing parties. For each country and decade under inspection we calculated a variable measuring the difference between the average saliency of managerialist statements in left-wing parties as well as in right-wing parties. Results show that this variable (labelled *sdxgap*) has a negative (positive) value when right-wing (left-wing) -oriented parties dedicate more space to NPM reforms than left-wing (right-wing) parties. Finally, in order to verify the statistical significance of the differences between left-wing and right-wing parties in terms of NPM saliency in their manifestos, a one way analysis of variance (ANOVA) was performed by using data for all countries and for every decade.

1.4 Results

1.4.1 Western Europe

Figure 1.1 provides the mean value - and the related standard deviation and coefficient of variation values - of the over-time saliency of NPM reforms in the party manifestos issued in two groups of countries: Western European countries with democratic institutions since the 1950s and Western European countries with democratic institutions since the 1970s (Greece, Portugal and Spain) – for which data are available since the 1970s.

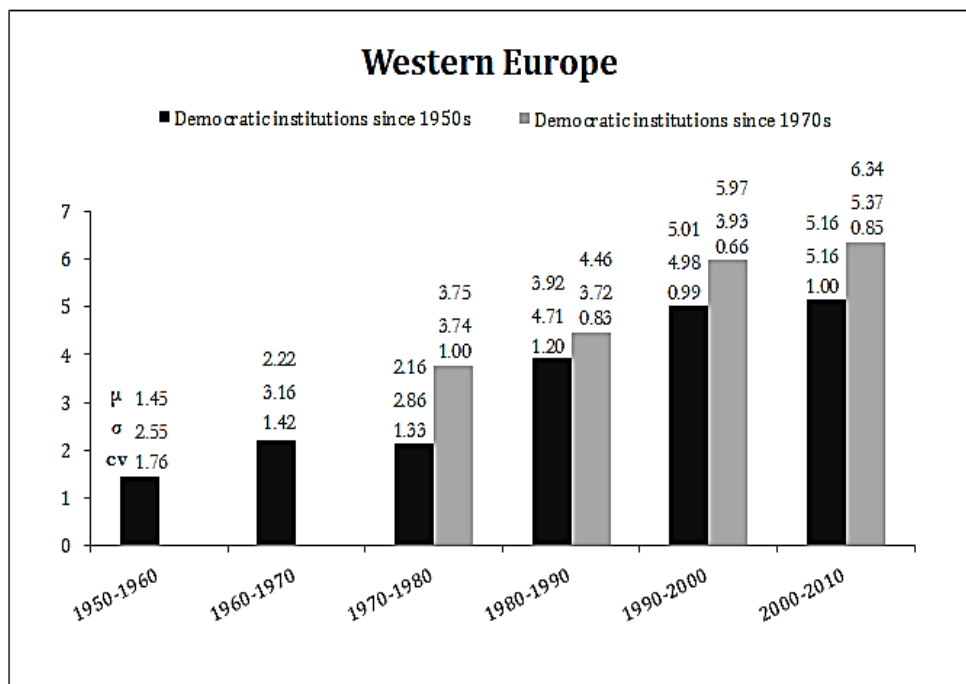


Figure 1.1 - Average saliency of NPM reforms in party manifestos of Western European countries
(μ = Mean , σ = Standard Deviation, cv = coefficient of variation)

In Western European countries having democratic institutions since the 1950s, the average saliency of NPM has almost quadrupled over the period under

examination. Indeed, in the first decade (1950-1960) it represented only 1.45% of party manifestos, while in the last decade (2000-2010) it reached 5.16%. Saliency of NPM also sharply increased from the 1970s to the 1980s (Figure 1). Indeed, the highest growth rate (83%) was experienced from the third (1970-1980) to the fourth decade (1980-1990). During the last two decades it grew less dramatically however: 28% from the fourth (1980-1990) to the fifth decade (1990-2000) and 3% from the fifth to the sixth decade (2000-2010).

When looking at Greece, Portugal and Spain it can be noticed that, right after the adoption of democratic institutions, the average saliency of NPM reforms (3.75%) was two times higher than that of other Western European countries (2.16%) observed in the same decade (1970-1980). This has then accelerated between 1980 and 1990. Indeed, it rapidly increased (34%) from the fourth (1980-1990) to the fifth decade (1990-2000) and, subsequently grew slowly (6%) from the fifth to the sixth decade (2000-2010).

Moreover, variation coefficients decrease over time in both groups of countries. This means that between 1950 and 2010, differences among party manifestos have reduced and national parties have consistently paid increasing attention to NPM in their political agendas.

These findings support H1 according to which Western European countries have, since the 1950s, witnessed an increasing importance of NPM reforms in party manifestos, which has become even more important after the 1980s. Three periods can more specifically be observed. Period 1 (1950-1960), which we term *incubation*, was characterized by the emergence of party rhetorical support for NPM reforms. Period 2 (1970-1990), which we term *growth*, was characterized by parties' fast-growing rhetorical support. Period 3 (2000-2010), which we term *maturity*, was characterized by a stable rhetorical support of national parties for NPM.

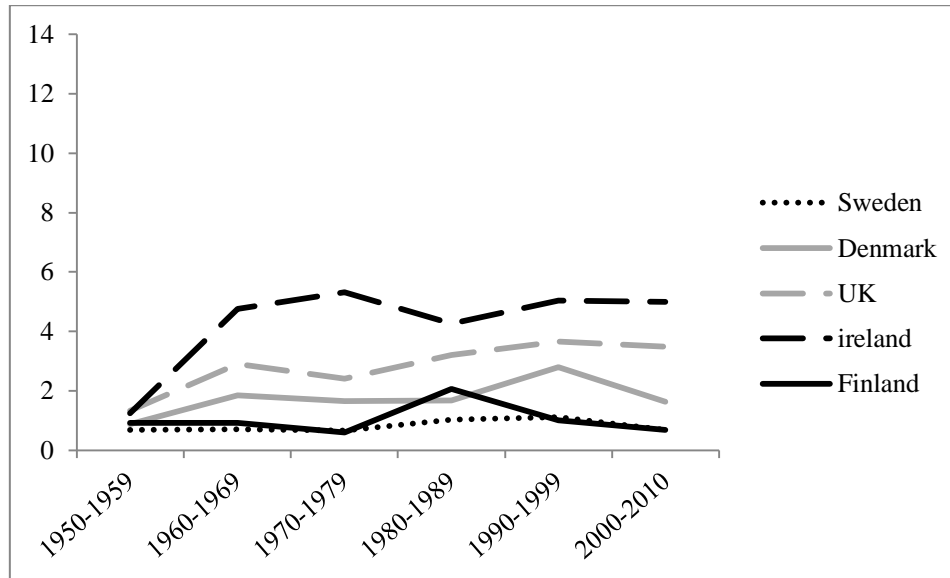


Figure 1.2 – Average saliency of NPM reforms in Anglo-Saxon and Scandinavian countries (1950-2010)

H2 suggests that the importance of NPM reforms in party manifestos was higher in Northern European countries rather than in other Western European countries, especially when compared with the Southern European region. Figure 1.2 shows the over-time evolution of the average saliency of these reforms in Scandinavian and Anglo-Saxon party manifestos. The declared support of Scandinavian parties has varied over time within a range that has an upper and lower margin of 2.06% and 0.59% respectively. As such, in these countries, national parties have consistently devoted little attention to managerialism. On the other hand, the graph shows that the importance of NPM has continuously increased in Anglo-Saxon party manifestos during the period under observation. Moreover, when comparing these party manifestos with those issued from Scandinavian countries one can easily notice that the former (Great Britain: 2.8% and Ireland: 4.3%) has

on average devoted more attention to NPM than the latter (Sweden: 0.8%, Finland: 1% and Denmark: 1.7%).

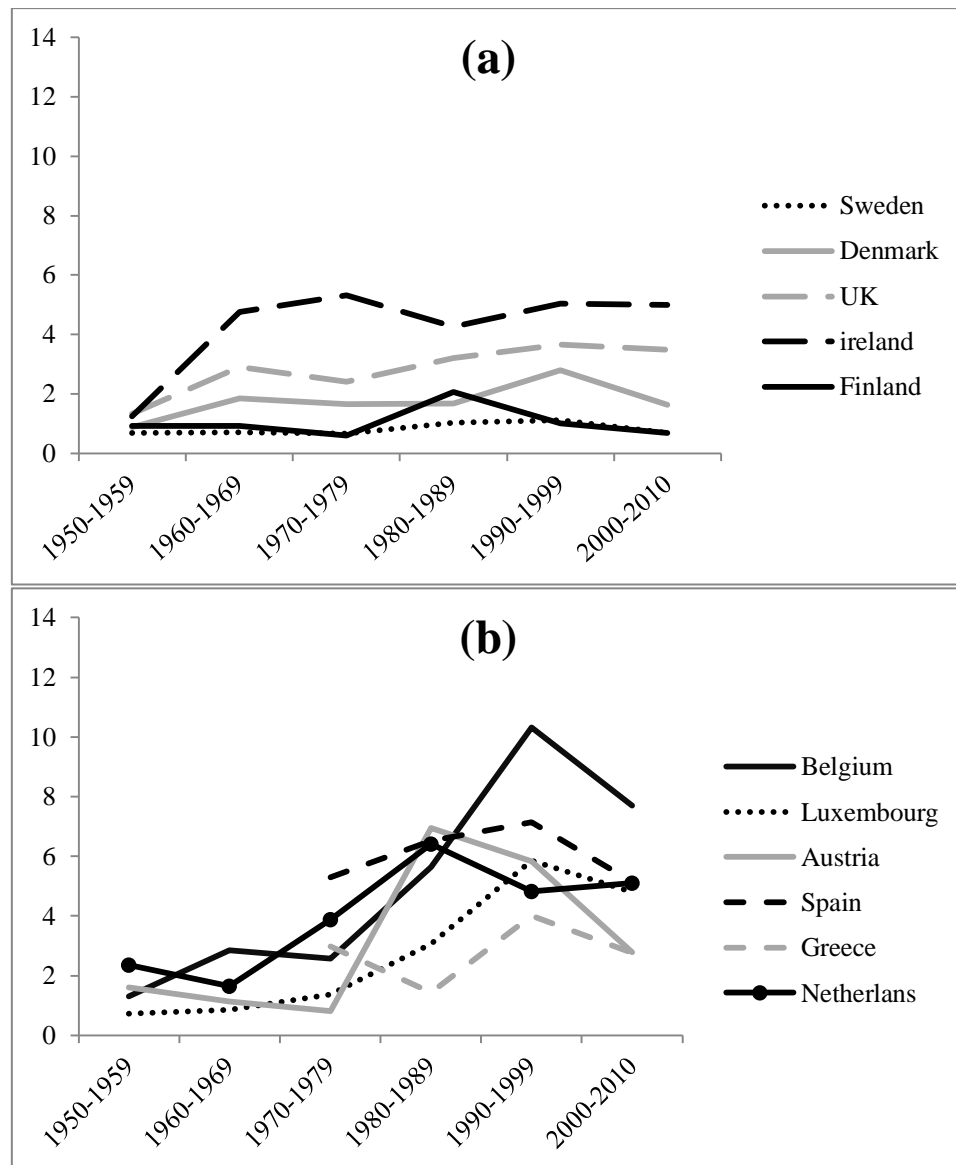


Figure 1.3 (a) and (b) – Average saliency of NPM reforms in other Western European countries (1950-2010)

Data clearly show that the average saliency of NPM (5.1%) in party manifestos released in Southern Europe (Italy, Spain, Portugal and Greece) is higher than the one corresponding to Northern Europe - Anglo-Saxon (3%) and Scandinavian countries (1.6%) -. These findings do therefore not support H2.

According to H3, since the 1970s the importance of NPM reforms was significantly higher in right-wing rather than in left-wing party manifestos. Table 2 reports the difference between the average saliency of these reforms in left-wing and right-wing party manifestos (*sxdxgap* values) for each country and decade under investigation.

Table 1.2 shows the results of an ANOVA analysis that compares the mean of NPM saliency in left-wing party manifestos with the one calculated for right-wing manifestos. The stars in the table highlight those country/decades for which a statistically significant difference between left- and right-wing party manifestos is observed⁹. The analysis reveals that the difference in NPM saliency between left- and right-wing party manifestos is statistically significant for most of the countries/decades under scrutiny. More specifically, a higher engagement of right-wing parties than left-wing parties is found, especially from the 1980s. From 1970 to 1990 thirteen observations out of thirty (43%) highlight a statistical significant predominance of NPM reforms in right-wing party manifestos. From 1990 to 2010 sixteen observations out of thirty (53%) show a statistically significant difference between left- and right-wing party manifestos. Except for

⁹Stars represent the p value statistics. This value indicates the probability of obtaining the observed or more extreme result, given that the null hypothesis is true. Low p-values indicate that there is a low probability of observing a difference between left- and right-wing party manifestos as extreme as the one reported, assuming that there is actually no difference between parties in terms of NPM saliency in their manifestos. A non-technical introduction to the p value statistics is provided by Figueiredo Filho et al. (2013).

Spain, all observations reveal a higher engagement of right-wing parties than left-wing parties. These findings mostly support H3.

	1950- 1960	1960- 1970	1970- 1980	1980- 1990	1990- 2000	2000- 2010
Sweden	-1.17	0.02**	-1.24**	-0.50	-1.15	-1.08**
Denmark	-0.72***	-1.93**	-1.00**	-1.99**	-1.49*	-1.13
Finland	0.17	1.44	-0.64*	-7.29	0.17	0.37
Belgium	-1.76*	-3.72	-2.18	0.72	-1.60	-4.85***
Netherlands	-0.48	0.20	-2.17*	-1.98	-3.78**	-2.02**
Luxembourg	-0.65	-0.45	-1.34*	-3.34	-1.67**	-4.05*
France	-0.14	-0.33	-1.64*	-1.55	-1.87**	-2.16
Italy	-3.52	-2.24	-0.67	-6.14*	-2.37	0.78
Germany	-1.54*	-1.10	-1.08	-2.26*	-4.25**	-5.45***
Austria	-1.42	0.78	-1.21	-7.74**	-1.90	-3.87***
Great Britain	-2.00**	-1.65	-1.51	-2.94	-0.89	-2.69*
Ireland	3.30	0.67	0.50	-5.50**	-2.51*	-1.97
Spain			-4.00	-3.20**	0.90**	0.78***
Greece			-2.65	1.18	-0.37	-3.68
Portugal			-1.19	-3.41**	-4.89***	-4.04

Table 1.2 - *sxdxgap* values calculated per country and per decade. The stars indicate the statistical significance of the difference in saliency of NPM reforms between left-wing and right-wing party manifestos as resulting from ANOVA. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

1.4.2 Eastern Europe

In the wake of the adoption of democratic institutions in early-1990s, NPM reforms have rapidly spread across Eastern European party manifestos. In fact, the average saliency of this topic has tripled between the 1990s and the 2010s: from

1.70% in the decade 1990-2000 to 4.93% in 2000-2010 (Table 1.3). Moreover, variation coefficients decrease. This means that from 1990 to 2010 differences between party manifestos reduced and national parties consistently paid increasing attention to NPM reforms in their political agendas.

		1990-2000	2000-2010
Eastern Europe	μ	1.70	4.93
	σ	2.24	4.74
	cv	1.3	0.9

Table 1.3 - Saliency of NPM reforms in party manifestos in Western European countries (μ = Mean , σ = Standard Deviation, cv = coefficient of variation)

These findings support H4 as they show that since the 1990s the importance of NPM reforms in party manifestos of Eastern European countries rapidly grew. However, as shown in Figure 1.4, differences exist among countries. There is one country (Latvia) where party manifestos experienced no relevant increase during the 2000s as the growth rate of the saliency of this topic was equal to -0.002%. Conversely, in a second group of countries – Bulgaria (3.1%) Romania (3.4%), Poland (4%) and Slovenia (5.2%) – the importance of NPM in party manifestos experienced a very positive growth compared to the rest of the countries (where the growth rate was on average 1.3%).

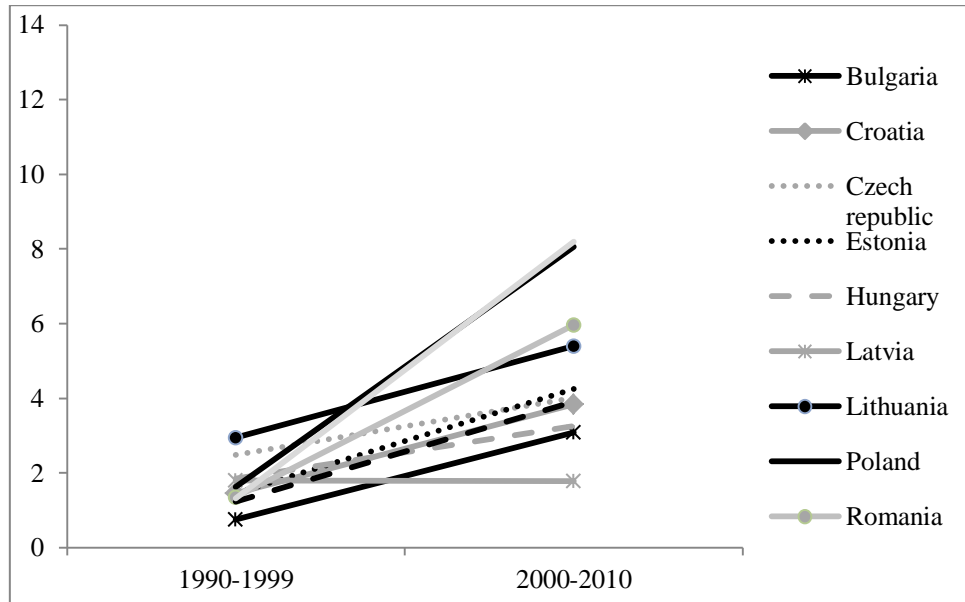


Figure 1.4 – Average saliency of NPM reforms in party manifestos of Eastern European countries (1990-2010)

H5 suggests that in Eastern European countries there are no significant differences between right-wing and left-wing party manifestos in terms of importance devoted to NPM reforms. Table 1.4 reports *sdxgap* values.

According to the ANOVA outcomes (Table 1.4), during the 1990s only Poland shows a statistical significant predominance of right-wing party manifestos in support of NPM initiatives. During the 2000s, three countries (Czech Republic, Hungary and Romania) out of eleven show a statistically significant difference between left-wing and right-wing party manifestos in terms of saliency of NPM reforms. Hungary and Czech Republic are characterized by a higher engagement of right-wing parties than left-wing parties in support of these reforms, whereas left-wing forces prevail in Romania. These findings support H5.

	1990-2000	2000-2010
Bulgaria	-0.30	-3.11
Croatia	0.73	2.66
Czech republic	-1.14	-3.26**
Estonia	-0.71	-3.40
Hungary	0.27	-2.23**
Latvia	0.20	-2.04
Lithuania	1.76	-3.97
Poland	-1.48**	-3.41
Romania	0.74	0.66*
Slovakia	0.05	-1.52
Slovenia	0.00	-2.17

Table 1.4 - *sxdxgap* values calculated per country and per decade. The stars indicate the statistical significance of the difference in saliency of NPM reforms between left-wing and right-wing party manifestos as resulting from an ANOVA analysis.
* p<0.1, ** p<0.05, ***p<0.01.

1.5. Discussion

The empirical study conducted in the previous sections provides useful empirical evidence to explain the evolution of the importance of NPM reforms across national parties' manifestos in Europe during the past fifty years. These findings reveal two different stories in Western versus Eastern European countries.

1.5.1 Western Europe

As shown in our findings, from the 1950s onwards managerialist ideas have spread in the political agendas of European parties by following a stage model of incubation (1950-1960), growth (1970-1990) and maturity (1990-2010). During the 1950s and the 1960s, the theoretical contributions of new institutional

economics and public choice theory organized these ideas into a homogeneous system of beliefs centred on two key concepts: market and management. Transaction costs theory (Williamson, 1985) played a key role by seeing social institutions “as being shaped by efficiency considerations more than as a result of social or political action” (Ferlie et al., 1996: 70). These ideas had no appeal for political parties’ agendas until the 1970s when Keynes’ economic theory came to be considered outdated as it could not explain stagflation, a combination of inflation and long-term unemployment (de Vries, 2010). This critical economic situation was the starting point to a rethinking of state-led development. Drawing on Hayek’s and Mises’ economic philosophy – ancestors of the Austrian school of thought –, “a rage of influential new right thinkers” (Dunleavy, 1986: 15) increasingly advocated the primacy of market institutions over state administrations in the economy of the public sector. They called for the rolling back of bureaucratic coordination in the provision of public services and supported managerial reforms. Ferlie et al. (1996: 6) refer that “as the balance of power shifted during the 1980s so a new political economy of the public sector emerged”. The findings of this study confirm that right-wing parties were the main promoters of this new vision of the public sector as the importance of NPM reforms was significantly higher in their manifestos than in left-wing party manifestos.

During the 1990s, with the EU’s Maastricht Treaty functioning as an external pressure for budget restrictions (Pollitt et al., 2007), these reforms were increasingly present in the political programs of European parties. Subsequently, as shown by our findings, at the end of the 1990s their appeal decreased. This is consistent with the idea that the peak of NPM reforms is in the past and that it is indeed in decline since the late 1990s. This decline is due to the rise of a new logic in public-sector reasoning which takes complexity as its theoretical background (Cilliers, 1998). In fact, criticisms have been directed towards

mangerialism because of (1) its inappropriate likening of the public sector to the private sector (McCabe and Vinzant, 1999; deLeon and Denhardt, 2000; Hefetz and Warner, 2004; Rocha and de Araujo, 2007) and (2) due to the fact that NPM reforms have led to not only positive outcomes such as gains in effectiveness and efficiency, but also to negative outcomes such as losses of equity, citizenship, and accountability (Morgan and England, 1988, Kettl, 1993; Boyne, 1998; Romzek, 2000).

Perhaps the most interesting findings derive from the empirical test of H2 showing that the importance of NPM reforms in party manifestos was higher in Southern Europe compared to Northern Europe, in Scandinavian countries particularly. This is in contrast with the literature on the actual process of reforms according to which managerial concepts and techniques are arguably used more frequently in Northern Europe compared to other European regions (Hansen, 2011). Christensen and Lægreid (2013) help interpreting these outcomes by suggesting that NPM reform rhetoric and actual practice are not always aligned and might be characterized by a controversial relationship. Our findings suggest two relevant situations of misalignment, respectively in Southern Europe and in Scandinavian countries.

In Southern European countries, notwithstanding the high political support declared by national parties in their manifestos, NPM ideas have struggled to find their way in the actual organization of the public sector. In this context, reformers might have followed a decoupling strategy – as emphasized in myth theory (Meyer and Rowan, 1977) or double-talk theory (Brunsson, 1989) – and have composed their electoral manifestos in order to present themselves in a better light without really intending to implement their promises if elected to government. This could be, for example, the case of Italy which is the Southern European country with the highest saliency of NPM ideas in national parties’

manifestos. Even if these ideas feature high in Italian party manifestos since the 1950s, concrete reforms only started in the early 1990s. However, as explained by Ongaro et al., (2013: 10), mixed results were achieved because of a pact of reciprocal self-restraint between top civil servants and politicians: “This pact was based on an exchange between job security and political power: public managers renounced an autonomous proactive role in decision-making processes, while political elites refrained from intervening in the management of bureaucratic careers”.

In Scandinavian countries, notwithstanding the weak declared support of national parties, NPM changes were easily implemented. This situation may refer to a pragmatic approach to NPM where specific measures were adopted as specific solutions to technical problems: in other words, reforms were not ideologized but rather were brought about by mechanisms such as “rational shopping for reform elements” (Christensen and Lægreid, 2011). This might be, for example, the case of Sweden which is the Scandinavian country with the lowest saliency of NPM ideas in national party manifestos. Major changes in Sweden have occurred since 1982 when the incumbent Social Democratic government launched a special public administration policy with the purpose of downsizing state bureaucracy and rendering public service delivery more efficient and more responsive to users (Gustafsson, 1987; Pierre, 1993; Premfors, 1991). In this context, reforms were weakly politicized as they were not presented as part of a neoliberal attempt to dismantle the welfare state. Rather, they were supported by left-wing parties as a possibility of offering services of the same quality but at lower cost or better services at the same cost. This is also consistent with Hood (1995) who argues that there is not always a straight right/left split in receptivity to NPM reforms.

The case of Great Britain – a “fast-mover” in the implementation of NPM (Ferlie et al., 1996) – is different given that, according to our findings, since the 1970s

parties' declared support for NPM reforms occurred along with the actual implementation of reform measures. A number of changes had already been introduced in the mid-1970s: "the concerns about the efficiency of the public sector prompted a wide-ranging review of the structure of the local government system that led to a radical reorganization in 1974, when almost a thousand local governments across England and Wales were abolished" (Andrews et al., 2013: 8). However, the pace of change accelerated with the election of the Conservative government led by Margaret Thatcher in 1979. She launched an administrative revolution aimed at reducing the size of the public sector and opening it to market forces through liberalization and privatization.

1.5.2 Eastern Europe

According to our findings, managerialist reforms have rapidly spread across Eastern European party manifestos after the collapse of Soviet Union. Regardless of their political orientation, national parties have consistently declared increasing support for these reforms. This homogenization of party supply can be explained by two reasons. First, vis-à-vis the uncertainty generated by the transition from socialism to capitalism, political and economic models of the EU's member states were seen as normatively 'superior' and readily transferable to displace 'inferior' models in Eastern European countries (Hughes et al., 2005). Secondly, in the context of EU enlargement policy to the East a speedy substitution of values by candidates and their compliance with EU norms was equated with the quality of their commitment and 'Europeanness' (Hughes et al., 2005). In fact, accession countries from Eastern Europe had to systematically demonstrate their administrative capacity to effectively apply EU regulation in order to obtain their EU membership (Dimitrova, 2002; Meyer-Sahling, 2011). Following Ladrech's (2002) and Mair's (2000), one can consider managerialism in Eastern Europe as issuing from a Europeanization process given that EU's accession requirements

might have constrained national parties' positioning on public sector reform and may therefore have reduced the scope of proposals that could be offered during election periods.

The only country in this sample which has experienced a reduction of the importance of NPM reforms in national party manifestos is Latvia. Drawing on country-specific literature (Reinholde, 2006), this might have happened because in the mid-1990s the actual implementation of these reforms resulted in numerous scandals related to performance contracts and uncontrolled proliferation of public agencies. Vis-à-vis this situation, the national Bureau of Public Administration and incumbent government decided to invite external experts from the SIGMA programme. Politicians thus withdrew from this field of policy and let external experts reorganize the national public sector.

1.6. Conclusion

This article has addressed the relationship between NPM reforms, political ideology and public expressions of support for these reforms by political parties in Europe. Our analysis is based on a database of texts of party manifestos. We acknowledge that, at least in certain countries, any such commitments may only be loosely coupled with political action and implementation that was undertaken at a later stage. However, there is so much space in a manifesto so that various political issues are fighting for attention and for text. If a certain political issue (here public management reform) is given an adequate amount of space in the text of the manifesto, it suggests that this issue won some political priority.

Our research reveals that an increased attention was given in the examined texts to public managerial issues in Western Europe in the 1980s (loaded to right-wing parties) and in Eastern Europe in the 1990s (more bi-partisan). It is possible that the first phenomenon was orientated to NPM neoliberal ideas imbued with post-

Keynesian economic philosophy; while the second was linked to the decline of socialist ideas and the adoption of EU models. The analysis has revealed a multifaceted process of reform implementation taking place across Western European countries. Furthermore, we have suggested some regional patterns. In the North, NPM reforms might have not been ideologized and have been implemented as mere technical frameworks. In the South, we suggest that national reformers might have followed a decoupling strategy – as emphasized by institutional theorists (Meyer and Rowan, 1977, Brunsson, 1989). The managerialist rhetoric was adopted in order to conform symbolically to external institutional pressures (i.e. European integration, macro-economic stabilisation, liberalisation and privatisation) without really implementing it if elected to government. More qualitative analysis is certainly needed in the future to investigate these emergent propositions.

What does our analysis have to say more broadly about the saliency of public management reform at the party political level? Public management reform might (in one view) be construed as a technical, rational analytic or evidence based domain, disconnected from party political life. Such low profile reforms to the machinery of government may be difficult to ‘sell’ to electors when compared to more vivid issues such as the economy, security or immigration. Yet the quantitative analysis of the texts of manifestos suggests that these public management reform issues enjoy a growing political profile over time.

Scholars from a wide range of research domains – political science, management and organisation studies - should increasingly think about the politics of public management reform by not only considering it as a technical or managerially-dominated activity. Pollitt (2013) suggests that there are ‘narratives’ of public management reforms constructed by ministers and civil servants (amongst others) who promise citizens better government in the future.

Esposito et al. (2016) delineate a political economy of NPM reform narratives in Europe between 1997 and 2011. They show that right-wing parties operating in national contexts of fiscal stress and ineffective governmental policy actions were the most committed heralds of these narratives. These parties were responding to the demands of a new majority of tax-conscious voters with increasingly high revenues, who urged their governments to decrease public spending and downsize centralized administrations.

Some aspects of the wider political economy of ‘reforming’, together with the variety of actors involved, have been delineated in the context of the UK health care sector by Ferlie et al. (2016). As well as considering the strategic actions of ministers (for example, ministers of public administration), there is a need to consider internal party politics and to analyse trajectories of public management reforms together. How are proto narratives of public management reform constructed and sold to the party before they land at government level? Who are the actors involved in this process? There is much work to do in the future on these questions but we hope to have made a start here.

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2. Toward a political economy of NPM reforms in the EU: a cross-country empirical study based on party manifestos (Essay 2)

Abstract

Framed within the NPM paradigm, structural reforms in the EU aimed at modernizing the public administrations of Member States (MSs) have long since been a priority area of the EU's economic policy. Since the 1990s, these reforms have been sharply intensified across European countries with the declared purpose of enhancing economy, efficiency and effectiveness in their national public sectors' organizations. In line with the European Commission's recent research initiatives in search for novel quantitative data on NPM in the EU, this paper studies European parties' NPM reform rhetoric. More specifically, it investigates the MSs' institutional, economic and political context within which parties have declared their intention of reforming national administrative systems. Thus, it sheds light on the MSs' domestic factors that are associated with the diffusion of the NPM values across the political discourse of the EU's national parties.

Keywords: New Public Management, public sector, public administration, structural reforms, political parties, electoral manifestos

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2.1 Introduction

The modernization of public sector organizations has long since been a priority of EU economic policy (i.e. DG ECFIN, 2008; DG ENTR, 2012, 2013; DG RTD, 2013; COM(2014)902 final). Framed within the paradigm of New Public Management (NPM), structural reforms in the EU aimed at modernizing the public administrations of Member States (MSs) have sharply intensified during the 1990s due to the reinforcement of market integration processes and liberalization policies (Bauby, 2008; Boggetti and Obermann 2008; Clifton et al., 2011; Pollitt and Dan, 2011; COCOPS, 2013). Following NPM's principles, these reforms have attempted to introduce market logics and business-style practices imported from the private sector into public sector organizations. The purpose has been to maximise organizational performance and to optimise public spending by cutting costs and using professional management (Pollitt, 1990; Clarke and Newman, 1997; Saint-Martin, 2000; Pollitt and Bouckaert, 2000; Christensen and Lægreid, 2011). Recent studies (Ladi, 2014) have shown that the European Commission has struggled to enact these reforms at MSs' national level without the support of national political parties. Their support could play a crucial role in building electoral consensus around NPM's values and in effectively transforming them into national administrative reform plans.

This paper focuses on the process of NPM reforms in the EU which started in the 1990s and studies the NPM reform rhetoric of national political parties. More precisely, it addresses the MSs' domestic aspects which can be associated with the spread of the NPM values across the political discourse of national parties. This study thus elucidates the MSs' contextual determinants of the parties' NPM rhetoric by highlighting the institutional, economic and political contexts within which national parties have advocated NPM-style reforms in their countries.

The analysis relies on data drawn from the Comparative Manifesto Database (CMD - Budge et al., 2001; Klingemann et al., 2006) which provides quantitative information on the content of parties' electoral programs. CMD's data results from an in-depth scrutiny of the manifestos released by major political parties taking part in the national elections of a wide set of countries.

The major contribution of this paper lies in providing empirical evidence of the patterns of diffusion of NPM values across the political manifestos of European parties. This contribution follows the ongoing research initiatives supported by the European Commission, seeking novel and systematic quantitative data on NPM across Europe (COCOPS, 2013). Hence, in the following sections we will be developing an econometric model enabling a systematic quantitative analysis of the economic, institutional and political factors that might have led European parties to embrace the NPM paradigm and adopt the NPM's reform rhetoric in their countries.

Academic literature is analysed in section two concerning the core values of the NPM rhetoric, emergent from the language of NPM reformers; by elaborating on this theoretical framework, a number of hypotheses are then formulated about the party- and country-level variables which are correlated with political parties' rhetoric in support of NPM-style reforms. Following on, section three describes the process of data collection and the methodology to test the above-mentioned theoretical predictions. The findings of our empirical test are then presented in section four, which section five then extensively discusses. Finally, section six summarises the main arguments and contributions of this paper and announces possible forthcoming research directions.

2.2 Theoretical framework

This second section aims to build a comprehensive theoretical framework on the "striking international trend" (Hood, 1991: 3) of NPM reforms across the EU

countries and lay down the conditions for the development of the econometric model that will be analytically presented in section 3. Section 2.1 goes through those contributions in the literature that have dealt with the concept of NPM and highlights the fundamental characteristics of its rhetoric as emerging from the language of NPM reformers. Then, section 2.2 explores the academic literature in public administration and develops a number of testable hypotheses about the economic, institutional and political factors that might have led national parties to adopt the NPM rhetoric in their domestic contexts.

2.2.1 The rhetoric of NPM reformers

It is very difficult to define the concept of NPM and link specific policy measures to it (Pollitt, 2007). Nevertheless, when analysing the spread of the NPM paradigm across the MSs of the EU, Pollitt and Dan (2011) state that the concepts of *economy*, *efficiency* and *effectiveness* have played a central role in the rhetoric of NPM reformers who have advocated them by pursuing specific goals.

In their language, *economy* refers to the “simple reduction or lowering of inputs – in a word cost reduction” (Pollitt and Dan, 2011: 12). From the perspective of NPM reformers, economy can be then achieved through cutting down public spending and adopting competitive market arrangements in public sector organizations (Hood, 1991; OECD, 1995; Dunleavy et al., 2006).

The concept of *efficiency* refers to the ratio between inputs and outputs. NPM reformers have argued that efficiency gains may be expected if either outputs increase for the same inputs; or if outputs are steady while inputs decrease (Pollitt and Dan, 2011). From the NPM perspective, efficiency can be then pursued through policies of deregulation and tax-breaks, which will enable the creation of appropriate conditions for highly competitive markets to develop in public sector economy (Hood, 1991; Hendriks and Tops, 1999, 2003; Clifton et al., 2011).

Thirdly, *effectiveness* has been usually conceived as “the degree to which the outcomes match the original goals or objectives set for the organization of program” (Pollitt and Dan, 2011: 12). From the NPM reformers’ perspective, effectiveness can be pursued by adopting professional managerial hierarchies instead of unskilled bureaucratic hierarchies. The argument is that, while the former disposes of human resources trained to manage competitive processes in market arrangements, the latter consists of human resources trained to execute administrative procedures in bureaucratic arrangements (Martin, 1983; Pollitt, 1990; Hood 1991; Roberts, 2010).

According to the rhetoric spotlighted by the above-mentioned literature, EU reformers have justified the introduction of NPM reforms in their countries as a means to enhance efficiency and economy in government and administration by cutting public spending; and to improve governmental procedures through increased effectiveness in government and administration processes.

Based on these rhetorical elements, in section three we will go through the electoral manifestos released by national European parties and analyse the contextual factors that might have led these parties to support NPM reforms in their countries. Prior to that, however, we will need to further explore existing academic literature and formulate a number of hypotheses about the economic, institutional and political factors that might be associated with the national parties’ rhetoric in support of NPM reforms.

2.2.2 The domestic determinants of national parties’ promise of introducing NPM reforms: insights from existing literature

The research conducted over the last decades in the field of public administration has provided useful insights into the economic, institutional and political factors that might have been associated with parties’ ideological support for NPM reforms in their national contexts.

Concerning the economic context, Hood (1991) argues that changes in income levels serving to weaken the *Tocqueville coalition* for government growth in the electorate - and laying the conditions for a new tax-conscious electoral coalition – might lead reformers to support an NPM model of public administration. In other words, it suggests that when the per-capita income level of a country increases, the electoral majority of low income voters – main beneficiaries of increasing public spending – decreases in favour of a new, tax-conscious, electoral majority of voters with higher levels of income. This new majority then demands reformers to reverse government growth and, de facto, adopt NPM reforms. Therefore, the first hypothesis we propose to test is the following:

H1: *national parties' support for NPM-style reforms is likely to be positively correlated with countries' per capita income.*

Dunsire and Hood (1989) argue that countries facing budgetary constraints are more prone to adopt the NPM model because their primary aim is to slow down or reverse government growth in terms of overt public spending and staffing. When discussing why the Netherlands adopted the NPM model to manage its public sector organizations, Hendriks and Tops (1999, 2003) argue that rising budget deficit, in a context of economic recession, encouraged the Dutch government to adopt NPM “with its promises of economy, efficiency and effectiveness (the three e’s)” (Hendriks and Tops 2003: 319). Hood (1995: 105) goes further claiming that the promise or hope of saving resources through the adoption of NPM measures is expected “to be proportionately higher in a context of fiscal stress associated with poor macroeconomic performance than in the context of slim-line government and/or strong macroeconomic performance”. The second hypothesis is therefore, proposed as:

H2: *national parties' support for NPM-style reforms is likely to be positively correlated with countries' fiscal stress and poor macroeconomic performance.*

Another stream of the literature has focused on the pressure national institutional context exerts in the adoption of NPM-style reforms by investigating how the structure of the administrative systems - centralised vs decentralised governments (Pollitt & Summa, 1997; Minogue 2001) – and the quality of these systems – effectiveness of governmental policy action (Wolfgang, 2011) – have affected the implementation of such reforms.

Indeed, as far as the structure of national administrative systems is concerned, it is worth remembering that, according to NPM reformers, administrative decentralization is to be preferred to centralization. The reason is because, according to NPM supporters, decentralization of national administrative systems favours a management by objectives (or by results) where performance targets are delegated to subordinate administrative levels (i.e. OECD 2003, 2008). By defining a limited number of administrative goals corresponding to different performance indicators for each administration level, efficiency and effectiveness in the policy implementation are expected to improve. NPM reforms are particularly recommended to centralised administrative systems in an effort to have these systems decentralised. Such decentralisation consists of creating subordinate administrative levels to which government objectives are delegated to improve policy implementation. It is thus plausible to hypothesise that the higher the country's degree of administrative centralization, the stronger is their parties' call for NPM-style reforms. Hence, the third hypothesis to be tested is formulated as follows:

H3: *national parties' support for NPM-style reforms is likely to be negatively correlated with the decentralization of the administrative system.*

As far as the quality of national administrative systems is concerned, improved effectiveness in government is a high priority of NPM-style reforms (Aucoin, 1990; Hood, 1995; Hughes, 2003; London, 2002; Pollitt and Bouckaert, 2000).

Indeed, NPM reformers yearn for improved responsiveness of public sector institutions and thus encourage a management by performance or results instead of formal compliance with bureaucratic procedures (OECD, 1994). Therefore, it seems plausible to hypothesise that the worse the country's administrative performance, the higher the parties' support for NPM-style policies promising to improve the responsiveness of public sector organizations. Therefore, the fourth hypothesis to be formulated is:

H4: *national parties' support for NPM-style reforms is likely to be negatively correlated with government effectiveness in policy action.*

Another relevant NPM domestic determinant identified by the existing literature is the ideological orientation of the national political parties. Hood (1995: 100) believes that "the old structure has been subverted by the development of the "New Right" interests who stand to benefit in various ways from dismantling the [old administrative] model". Therefore, the fifth hypothesis to be tested is the following:

H5: *right-wing national parties' support for NPM-style reforms is likely to be higher than left-wing one.*

Based on these theoretical predictions, the following sections will provide an empirical test of the above-mentioned hypotheses and, by doing so, will unveil the party- and country-level variables which are correlated with national parties' support for NPM-style reforms.

2.3 Data and methodology

The following two sections will present the data – section 3.1 - and the methodology - section 3.2 - used to conduct the empirical test of the hypotheses developed in the previous section.

2.3.1 Data

Information on parties' concern for NPM-style reforms is drawn from the Comparative Manifesto Database (CMD - Budge *et al.*, 2001; Klingemann *et al.*, 2006)¹¹. CMD collects data resulting from an in-depth examination of the electoral manifestos issued by major political parties that took part in national elections in a wide set of countries from 1950 to 2011. Over the last years, this data has been widely used in empirical studies (De Simone and Sapio, 2013; Michallet *et al.*, 2015).

One variable in the CMD specifically records to which extent surveyed parties' electoral manifestos deal with "the need for efficiency and economy in government and administration, cutting down civil service, improving governmental procedures or making the process of government and administration cheaper and more effective" (CMD codebook, p. 9). According to the definition of NPM provided in section 2.1, all these elements can be referred to the NPM reform rhetoric; therefore this variable can be adopted as a measure of the saliency of NPM values in parties' electoral manifestos.

This variable (hereafter labelled PER303) assumes values that range between 0, reported by parties who devote 0% of their manifesto to NPM-style reforms of the public sector, and 1, that corresponds to manifestos fully devoted to NPM-style reforms of the public sector. Higher values indicate that NPM-style reforms represent a salient feature of the electoral program released by the party under examination while, conversely, lower values indicate that NPM-style reforms are not relevant in the party's program.

The present study focuses on the major political parties that took part in national elections in 14 European countries (Sweden, Denmark, Finland, Belgium,

¹¹ See <https://manifesto-project.wzb.eu/> for further details

Netherlands, Luxembourg, France, Italy, Spain, Greece, Portugal, Germany, Austria, Great Britain, and Ireland) over a 14-year period that ranges from 1997 to 2011. The complete list of countries and elections comprised in the analysis is provided in Table 2.1. The selection of countries and elections to be included in the analysis was significantly affected by the availability of data concerning several variables that, according to the literature review conducted in section 2.2, were essential for the empirical test of the hypotheses.

	Election years during the considered period				
Sweden	1998	2002	2006	2010	
Denmark	1998	2001	2005	2007	2011
Finland	1999	2003	2007	2011	
Belgium	1999	2003	2007	2010	
Netherlands	1998	2002	2003	2006	2010
Luxembourg	1999	2004	2009		
France	1997	2002	2007		
Italy	1996	2001	2006	2008	
Spain	1996	2000	2004	2008	2011
Greece	1996	2000	2004		
Portugal	1999	2002	2005	2009	2011
Germany	1998	2002	2005	2009	
Austria	1999	2002	2006	2008	
Great Britain	1997	2001	2005	2010	
Ireland	2002	2007	2011		

Table 2.1 – Elections under scrutiny

Nevertheless, since this paper focuses on the EU process of NPM reforms introduced over the 1990s, the electoral years considered in this study are particularly interesting. Indeed, since mid-1990s, Europe has taken the lead in opening markets, privatizing public assets and removing state monopolies from many public services; in fact, between 1997 and 2011 the European Commission has addressed MSs several times, releasing numerous directives aimed at transposing the NPM model into some key areas of national public sectors: postal

services (in 1997, 2002 and 2008), air transport (1997), rail transport (in 2001, 2004 and 2007), electricity (in 1998 and 2004) and gas (in 1998 and 2004).

The final dataset includes observations on 429 parties' whose distribution by country and election is reported in Table 2.2. The PER303 variable has an average value of 0.05 (i.e. on average 5% of the considered parties' manifestos was devoted to NPM-style reforms) and roughly 13% of the observations present a value of zero which means that parties did not make any reference to NPM-style reforms in their electoral manifestos. The maximum value reported by the PER303 variable is 0.26.

country code	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Tot
Sweden		7				7				7				8		29
Denmark		10			8				9		8				8	43
Finland			8				8				8				8	32
Belgium			10				10				13			11		44
Netherlands		6				9	9			10				10		44
Luxembourg			5					5					6			16
France	7					6					6					19
Italy					14					16		5				35
Spain				11				12				11			13	47
Greece				4				4								8
Portugal			6			7			7				6		6	32
Germany		5				5			5				5			20
Austria			4			5				5		6				20
Great Britain	7				8				3					3		21
Ireland						6					6				7	26
Total	21	28	33	15	30	45	27	21	24	38	41	22	17	32	42	429

Table 2.2 – Number of parties considered by electoral year and country

Figure 2.1 shows the country-level average values reported by the PER303 variable at electoral years and over the time span considered. PER303 shows a

considerable cross-country heterogeneity. On average, the support for NPM-style reforms is not particularly salient in the electoral manifestos issued by parties acting in Northern European countries such as Sweden, Denmark and Finland. The same applies in Greece. By contrast, it is particularly salient in programs issued by parties' from Southern European countries such as Italy and Portugal. Finally, national trends show sizable variability for some countries such as Ireland and Italy.

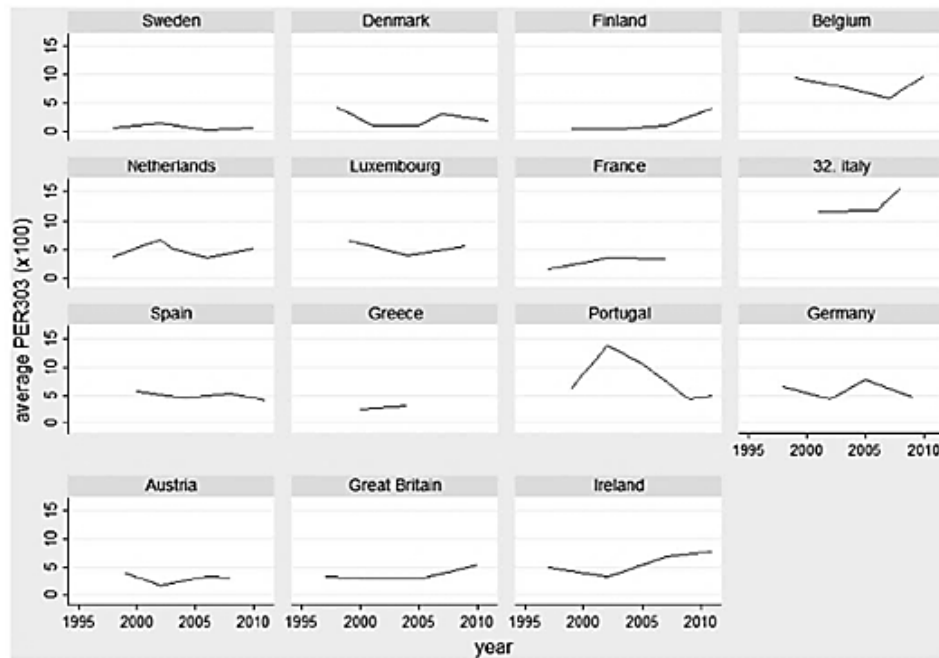


Figure 2.1 – Average saliency of NPM-style policies in party manifestos by country (1997-2011)

Do the hypotheses presented in section 2 explain PER303 cross-country and within-country heterogeneity? With the purpose of answering this question, the PER303 variable was used as a dependent variable in a number of regression models where the following covariates were considered on the basis of the five hypotheses presented in section 2.

The first hypothesis (H1) states that national parties' support for NPM-style reforms is likely to be positively correlated with their country's per capita income. This hypothesis is tested by including the per capita GDP (GDPpc; data source: Eurostat) among the set of country-level covariates.

According to the second hypothesis (H2), national parties' support for NPM-style reforms is likely to be positively correlated with fiscal stress and poor macroeconomic performance. Two country-level covariates are used to measure fiscal stress: government debt expressed as GDP ratio (DEBT; data source: Ameco db) and government primary deficit (-) surplus (+) expressed as GDP ratio (PRIMARY; data source: Ameco db). Furthermore, national GDP growth (GROWTH; data source: World Bank) is included among covariates in order to measure macroeconomic performance.

As stated in our third hypothesis (H3), national parties' support for NPM-style reforms is likely to be negatively correlated with decentralised administrative systems. With the intention of testing this hypothesis, we rely on a proxy of the degree of administrative decentralization based on the public expenditure realised at local level as percentage of total general government expenditure. This variable is labelled FEDERALISM (data source: OECD fiscal decentralization database) and is introduced among the country-level covariates used in the analysis.

Coherently with our fourth hypothesis (H4), national parties' support for NPM-style reforms should be negatively correlated with government effectiveness in policy action. To empirically test this hypothesis, the vector of covariates used in our regressions includes one measure of national public administration quality

that is the government effectiveness indicator (labelled GOV_EFF) which is provided by the World Bank Worldwide Governance Indicators project¹².

Finally, according to our fifth hypothesis (H5) right-wing national parties' support for NPM-style reforms is likely to be higher than left-wing ones. In order to test this hypothesis one party-level categorical variable (hereafter labelled as POL_OR) is considered among the covariates. This variable may assume the following modalities: "left-wing", "right-wing" and "other". Parties were attributed to these categories according to the original data provided by the CMD and to authors' elaboration based on the classification provided by Hellwig (2012) and Adams et al. (2006)¹³. In all regression analyses, "left-wing" is set as the reference category.

In order to avoid reverse causality issues, for all the above-mentioned country-level variables, values reported in pre-electoral years were considered. Table 2.3 provides a complete description of the whole set of country- and party-level variables employed in our empirical analysis. Summary statistics are also reported in the same table.

In addition to the variables presented so far, some of the regression analysis run also included time-specific dummies and country dummies in order to control for non-stochastic differences among electoral rounds and among national contexts.

¹² Unfortunately, this variable registers missing values for the years: 1997, 1999 and 2001; therefore, for these years, countries' missing values were replaced by values representing the average of what was recorded in the previous and in the following year.

¹³ Starting from the CMD original data on parties' affiliation to political families, Hellwig (2012) and Adams et al. (2006) were followed to classify nationalist, liberal, conservative and Christian democratic parties as right-wing oriented; ecology, communist, social-democratic parties as left-wing oriented. The residual category "other" includes all the remaining parties.

Variable	DESCRIPTION	SOURCE	Obs.	Mean	Std. Dev.	Min	Max
PER303	Share of NPM-related purposes in parties' electoral manifestos	Comparative Manifesto Database	429	0.051	0.049	0	0.26
PARTY ORIENTATION		own elaboration on data provided by the Comparative Manifesto Database					
<i>left-wing</i>	Parties' ideological orientation according to Hellwig (2012) and Adams et al. (2006)		429	0.424	0.495	0	1
<i>right-wing</i>			429	0.399	0.49	0	1
<i>other</i>			429	0.177	0.382	0	1
GOV_EFF	Government effectiveness indicator	World Bank, Worldwide Governance Indicators	429	1.645	0.485	0.214	2.345

GDPpc	Per capita GDP (in Euro)	Eurostat	429	27610.02	9773.786	10800	76400
GROWTH	Annual percentage growth rate of GDP	World Bank	429	2.048	2.293	-5.17	6.491
DEBT	General government consolidated gross debt expressed as a share of GDP	Ameco database	429	62.535	24.993	6.216	117.23
PRIMARY	General government Net lending (+) or net borrowing (-) excluding interest as a share of GDP	Ameco database	429	1.324	5.047	-27.5	6.813
FEDERALISM	Share of local expenditure on consolidated general government expenditure	OECD fiscal decentralization database	429	26.931	15.526	4.59	63.738

Table 2.3 - Summary statistics of variables

2.3.2 Methodology

Our empirical analysis uses the data described thus far as pooled cross-section data. Indeed, building a panel dataset was not possible due to the following three reasons: i) parties' significantly change over time (some simply disappear, others merge or change their name), ii) countries do not all hold elections in the same year and iii) national elections are not held annually. This unavoidable cross-sectional treatment of data makes our analysis suitable for observing statistical correlations among the variables considered but any causal link among these variables could not be identified.

The estimates that we carried out primarily rely on Ordinary Least Squares (OLS) with standard errors clustered at country level in order to account for the within-state correlation among observations. Nevertheless, the bounded (0-1) nature of the dependent variable used in our empirical analysis might bias the OLS results. Indeed, OLS predictions may fall outside the possible 0-1 interval and the existence of a floor and a ceiling may determine non linearity or heteroscedasticity. With the purpose of overcoming these potential biases and to check the robustness of our OLS results, we followed the approach adopted by De Simone and Sapio (2013). Alongside OLS, the regression coefficients were also estimated through the Fractional logit model (FRACLOG - Papke and Wooldridge, 1996), which allows to investigate both proportion dependent variables (Baum, 2008, p. 301), and the Zero-inflated Beta regression model (ZIBETA). The latter relies on logistic regression for estimating the probability that the dependent variable equals 0 alongside a Beta regression which is used in order to estimate values between 0 and 1. FRACLOG and the ZIBETA regression analysis also take consider standard errors clustered at country level.

2.4 Results

The following two sections present the results achieved by OLS – section 4.1 - and by the Fractional logit and Zero-inflated Beta estimates – section 4.2.

2.4.1 OLS estimates

Table 2.4 shows the results obtained by OLS. Four different specifications are presented. In the basic model (labelled OLS1) only dummies that identify political parties' ideological orientation are included; in the second model (OLS2) this basic specification is augmented by including country-level covariates; the presence of collinearity among variables was checked through the calculation of the variance inflation factor (VIF), whose values are not reported but are available upon request, and always resulted to be lower than 2. In order to catch cross-year heterogeneity in our data, yearly dummies are added among covariates in the specification labelled OLS3; finally, model OLS4 also considers country dummies in order to account for unexplained cross-country heterogeneity. The details about the results are presented on the basis of the five hypotheses presented in the previous sections.

According to the first hypothesis (H1) national parties' support for NPM-style reforms is likely to be positively correlated with the countries' per capita income. This hypothesis is confirmed by our regression results. Indeed, the GDPpc variable shows a positive correlation with the saliency of NPM values in the parties' manifestos in all our OLS models. Nevertheless, only the model OLS3 reports a statistically significant ($p < 0.05$) coefficient for this variable. According to the coefficient size calculated by model OLS3, an increase of per capita GDP of 1000 euros would lead to an average increase of saliency of NPM principles in political parties' manifestos of 0.8%. This result suggests that the higher the per capita income of a country, the higher the country's political parties' support for NPM-style reforms. As argued by Hood (1995), when the per-capita income level

	OLS1		OLS2		OLS3		OLS4	
	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.
PARTY ORIENTATION (left-wing reference cat.)								
<i>right-wing</i>	0.019***	(0.01)	0.021***	(0.01)	0.021***	(0.01)	0.021***	(0.01)
<i>other</i>	0.0014	(0.01)	0.0024	(0.01)	0.0071	(0.01)	0.0023	(0.01)
GDPpc			0.00000052	(0.00)	0.00000087**	(0.00)	0.00000098	(0.00)
GROWTH			-0.00019	(0.00)	0.0016	(0.00)	0.00030	(0.00)
DEBT			0.00049*	(0.00)	0.00049**	(0.00)	-0.000075	(0.00)
PRIMARY			0.00050	(0.00)	-0.00038	(0.00)	-0.00075	(0.00)
GOV_EFF			-0.034**	(0.01)	-0.042**	(0.02)	0.011	(0.02)
FEDERALISM			-0.00042	(0.00)	-0.00041	(0.00)	-0.0015*	(0.00)
Yearly dummies	no		no		yes		yes	
Countries' dummies	no		no		no		yes	
Obs.	429		429		429		429	

Table 2.4 – OLS estimates, coefficients and standard errors clustered at country level. Dependent variable: saliency of NPM-style policies in party electoral manifestos

of a country increases, As argued by Hood (1995), when the per-capita income level of a country increases, the electoral majority of voters having low income - and standing to benefit from increasing public spending financed from income taxes - may decrease, replaced by a new tax-conscious electoral majority of voters. "NPM can be represented as the approach to public management which fits this new tax-consciousness in a marginal electorate; for example by keeping the overall public-sector pay bill down by means of performance pay rather than by across-the-board pay rises in the traditional style" (Hood, 1995: 103).

According to the second hypothesis (H2) national parties' support for NPM-style reforms is likely to be positively correlated with countries' fiscal stress and poor macroeconomic performance. This hypothesis is partially confirmed by the OLS estimates. The variables that were included to test the existence of a significant correlation between countries' fiscal stress and the NPM spread over the national political debate show mixed results. In fact, according to our findings, the correlation of the PRIMARY variable with the dependent variable shows non consistent results as the sign is negative in some specifications and positive in others; nevertheless, this covariate is never statistically significant at $p < 0.1$ or lower. Conversely, the DEBT covariate reports a positive and significant correlation with the dependent variable in specifications OLS2 and OLS3 ($p < .1$ and $p < .05$ respectively) whereas in OLS4 it turns out to be non-significant. It means that in countries where debt is higher, the saliency of NPM values in political parties' manifestos is higher too. In more detail, an increase of country's Debt/GDP ratio of 1% is correlated with an increase of 0.05% of saliency of NPM values in political parties' electoral manifestos. This result supports the idea that the higher the country's fiscal stress, the higher its parties' appeal to NPM reform rhetoric. This confirms the propositions in the literature according to which the promise of resource saving from the adoption of NPM measures could be

expected to be proportionally higher in countries facing fiscal stress in a context of critical levels of public debt (Hood, 1995; Hendriks and Tops 1999, 2003).

Moving on to the analysis of the correlation between macroeconomic performance and the spread of NPM-style reforms in political parties' rhetoric, the empirical elaborations carried out provide results that are contrary to expectations. Indeed, coefficients calculated for the GROWTH variable are not statistically significant in all the OLS models considered; therefore, according to these estimates, a significant link between countries' economic performances and parties' concern for NPM does not exist.

According to the third hypothesis (H3), national parties' support for NPM-style reforms is likely to be negatively correlated with decentralization of the administrative system. This hypothesis is strongly confirmed by our findings since the estimates suggest that FEDERALISM is negatively correlated with the dependent variable. This result is robust across specifications but turns out to be statistically significant ($p < 0.1$) only in the OLS4 specification, when countries' dummies are taken into account. In more detail, in the OLS4 specification, an increase of the share of local expenditure on consolidated general government expenditure of 1% is correlated with a 0.15% increase of the saliency of NPM values in political parties' manifestos. According to this finding, the higher the decentralisation, the lower the political parties' concern for NPM-related policies. This result confirms our prediction according to which NPM reforms are particularly advocated by political parties operating in centralised administrative systems. Reformers seek to replace those centralised administrative systems with decentralised ones because, according to NPM reformers, to improve policy implementation it is essential to establish subordinate administrative levels to which government objectives are delegated. A further possible explanation of this

result is that in more decentralised systems the political debate concerning NPM-style reforms is presumed to shift from the national level to the local one.

According to the fourth hypothesis (H4), national parties' support for NPM-style reforms is likely to be negatively correlated with government effectiveness in policy action. This hypothesis is confirmed by our findings since results for the GOV_EFF variable are in line with the predictions made by the literature surveyed in section 2. Indeed, a negative and highly significant ($p < .05$) coefficient is reported by the OLS estimates in all the specifications where this variable is included, with the only exception being represented by model OLS4. According to these estimates, the more inefficient the national administrative systems are, the higher the saliency of NPM values in political parties' programs. The magnitude of the OLS coefficient suggests that an increase of 1 point of the government effectiveness indicator used in the analysis is correlated with a decrease of 4% of the saliency of NPM values in political parties' manifestos. This result is consistent with the hypothesis developed by the literature according to which NPM reforms are conceived as a response to ineffective governments and public administration (Aucoin, 1990; Hood, 1995; Hughes, 2003; London, 2002; Pollitt and Bouckaert, 2000). Indeed, our findings show that parties' support for NPM-style reforms increases in those national contexts where governmental action is ineffective and the quality of public services is considered by citizens to be poor.

According to the fifth hypothesis (H5), right-wing parties' support for NPM-style reforms is likely to be higher than left-wing ones. This hypothesis is strongly confirmed by our findings. Indeed, the OLS coefficient calculated for the right-wing dummy shows a significantly high ($p < .01$) positive sign which is robust across all the specifications considered, model OLS4 included. According to these estimates, the electoral propaganda in support of NPM-style reforms in the public

sector characterises right-wing parties more than left-wing parties (the omitted category). On average, our results suggest that right –wing electoral platforms devote 2% more space to NPM values than left-wing ones do. To be more concise, right-wing parties appeal to NPM principles and values in order to gain votes to a greater extent than left-wing parties which, therefore, consider this issue less salient. Conversely, findings for the *other* category of the PARTYORIENTATION variable reveal that no statistically significant difference exists between parties having other political orientations and left-wing parties. On the one hand, these results confirm the general hypothesis according to which ideological reasons contributed to the spread of NPM; as referred by Ferlie et al. (1996: 4), NPM reforms were driven by a “persistent political will” meaning that these were not “socially neutral, but reflect the rise of some constituencies and fall of others”, promoting a new political economy of the public sector. On the other hand, the results also suggest that NPM could be understood as issuing from a general ideological commitment of the right, revealing a “preference for a smaller public sector and a more extensive reliance on market mechanisms” (Boston et al., 1996: 6). More precisely, this shift to the right consists of a rejuvenation of the political right – the New Right, as referred by Hood (1995) – pursuing the objective of managerializing the public sector (Pollitt, 1990; Saint-Martin, 1998).

To summarise, the above-mentioned findings suggest that European parties’ support for NPM-style reforms is statistically significantly and positively correlated with right-wing ideological forces and with some country-level economic variables - income (as given by GDP per capita) and fiscal stress (as given by the debt/GDP ratio). With regard to the country-level institutional variables, it is negatively correlated with government effectiveness and decentralised administrative systems. The statistical significance of most of these results is robust across different model specifications and estimation strategies.

Anyway, it is worth noting that when country dummies are included among covariates, most of these regressors turn out to be statistically non-significant (p values > 0.1). This would suggest some caution in the interpretation of the results.

2.4.2 Robustness checks: Fractional Logit and Zero Inflated Beta regression

The same specifications which were run through OLS were replicated by means of the Fractional Logit and the Zero-Inflated Beta (ZIBETA) regression model. The estimates calculated through these two models are reported in Tables 2.5 and 2.6 respectively. Like in the case of OLS estimates, results for countries' and yearly dummies are not displayed for the sake of brevity and the same applies to the results obtained through the zero-inflation equation of the ZIBETA model. These omitted results are available upon request. In order to ease the comparability with the estimates resulting from the OLS models, in Tables 2.5 and 2.6, instead of coefficients, marginal effects are reported.

The Fractional Logit and the ZIBETA estimates strongly confirm the OLS results in terms of sign, significance and magnitude of the effect of the considered covariates on the dependent variable. Non-negligible differences only concern the statistical significance of the estimated effect of three regressors: DEBT, GOV_EFF and FEDERALISM. Indeed, comparing the results with OLS, the first two covariates exhibit a higher statistical significance in Fractional Logit and ZIBETA estimates. Furthermore, while FEDERALISM was barely significant in the fourth specification estimated with OLS, it turns out to be highly significant ($p < 0.01$) in all the specifications run with the Fractional Logit and ZIBETA models, including in those where country dummies are considered.

	FRAC1		FRAC2		FRAC3		FRAC4	
	marg. eff.	s.e.	marg. eff.	s.e.	marg. eff.	s.e.	marg. eff.	s.e.
PARTY ORIENTATION (left-wing reference cat.)								
<i>right-wing</i>	0.019***	(0.01)	0.021***	(0.01)	0.022***	(0.01)	0.021***	(0.01)
<i>other</i>	0.0016	(0.01)	0.0025	(0.01)	0.0086	(0.01)	0.0039	(0.01)
GDPpc			0.00000035	(0.00)	0.00000071**	(0.00)	0.00000069	(0.00)
GROWTH			-0.00074	(0.00)	0.00072	(0.00)	-0.00029	(0.00)
DEBT			0.00040**	(0.00)	0.00035**	(0.00)	0.0000015	(0.00)
PRIMARY			0.00038	(0.00)	-0.00067	(0.00)	-0.00034	(0.00)
GOV_EFF			-0.027***	(0.01)	-0.038***	(0.01)	0.021	(0.03)
FEDERALISM			-0.00073**	(0.00)	-0.00085***	(0.00)	-0.0017***	(0.00)
Yearly dummies	no		no		yes		yes	
Countries' dummies	no		no		no		yes	
Obs.	429		429		429		429	

Table 2.5 – Estimates of Fractional Logit regression models, marginal effects and standard errors clustered at country level. Dependent variable: saliency of NPM-style policies in party manifestos

	ZOIB1		ZOIB2		ZOIB3		ZOIB4	
	marg. eff.	s.e.	marg. eff.	s.e.	marg. eff.	s.e.	marg. eff.	s.e.
PARTY ORIENTATION								
<i>(left-wing reference cat.)</i>								
<i>right-wing</i>	0.019***	(0.01)	0.019***	(0.01)	0.019***	(0.01)	0.020***	(0.01)
<i>other</i>	-0.0012	(0.01)	-0.00063	(0.01)	0.0020	(0.01)	0.00085	(0.01)
GDPpc			0.00000027	(0.00)	0.00000057**	(0.00)	0.00000080	(0.00)
GROWTH			0.00051	(0.00)	0.0018	(0.00)	-0.00033	(0.00)
DEBT			0.00043***	(0.00)	0.00037***	(0.00)	0.000047	(0.00)
PRIMARY			0.000040	(0.00)	-0.00030	(0.00)	0.00041	(0.00)
GOV_EFF			-0.019***	(0.01)	-0.031***	(0.01)	0.085	(0.02)
FEDERALISM			-0.00044**	(0.00)	-0.00048***	(0.00)	-0.0013***	(0.00)
Yearly dummies	no		no		yes		yes	
Countries' dummies	no		no		no		yes	
Obs.	429		429		429		429	

Table 2.5 – Estimates of Zero-Inflated Beta regression models, marginal effects and standard errors clustered at country level. Dependent variable: saliency of NPM-style policies in party manifestos. The zero-inflation equation is omitted

2.5 Discussion

In the latter half of the 20th century, Europe experienced the creation of new supranational public powers – the European Coal and Steel Community (ECSC), the European Atomic Energy Community (EURATOM), the European Economic Community (EEC) and the EU - that co-existed alongside the national public powers of traditional nation states. These traditional national powers, which used to be wielded individually by European states as an exercise of sovereign prerogatives, came progressively to be shared at a supra-national level with other states through a liberal market process of institutional integration (Hall and Soskice, 2001; Ney, 2001). While the market was becoming a unifying benchmark, national barriers began to fall (Nizzò, 1999). Since the late 1970s, this process of supra-national integration has been advancing a progressive administrative convergence among the MSs' and pushing for the implementation of similar institutional arrangements. The process has prioritised the regulation of European states' public sectors through economic instruments, the adoption of pricing tools and taxation strategies aiming at further liberalization and privatization at national level. This administrative convergence was sustained by the wave of NPM reforms that, from the late 1970s onwards, has progressively penetrated the public sectors of European countries (Clifton et al., 2011).

Since the 1990s, on the wake of the above-mentioned processes of market integration and liberalization, the EU institutions have intensified their effort to promote NPM reforms across the European administrative systems (Bauby, 2008; Bognetti and Obermann 2008; Clifton et al., 2011). In the framework of this reform process, the European Commission has chosen to transpose the NPM principles into the national public sectors without establishing binding pan-

European rules, but rather by using instruments of soft regulation¹⁴ (Mény, 1993; Page and Wouters, 1995; Spanou, 1998; Della Cananea, 2004, Eichengreen, 2008). These instruments aim at “re-orienting the direction and shape of politics to the extent that [EU] political and economic dynamics become part of the organizational logic of national politics and policy making” (Ladrech, 1994: 69). Vis-à-vis these instruments of soft regulation, national political parties have played a crucial role as they have been: i) absorbing the NPM values into their ideological platforms to build electoral consensus around them; and - once in power - ii) transform them into administrative reform plans (Gafney, 1996; Ladrech, 2001).

Our empirical study focused on the above-mentioned phase of the EU’s intensification of NPM reforms throughout the MSs, and analysed the spread of the NPM values across the ideological platforms of the European parties. We proceeded to relate the adoption of such reforms to a number of economic, institutional and political factors that have been associated with the national parties’ rhetorical support for NPM organizational values.

Concerning the economic factors, the outcomes of this empirical analysis have suggested that national parties have adopted the NPM reform rhetoric in a context of increasing per-capita income levels and fiscal stress. In other words, NPM reforms might have appealed to national parties because they responded to the

¹⁴ A number of instruments of soft regulation have been progressively produced at the EU level in order to invite the MSs to modernise their national administrations through business-style organizational practices and market-based strategies. These aimed at improving efficiency and effectiveness in the economy of the public sector. For instance, in a 2010 communication (COM(2010)2020 final), the European Commission encouraged the MSs to promote internal structural reforms designed to render national public administrations more efficient and effective. As explained in other instruments of soft regulation (i.e. DG ECFIN, 2008; COM(2014)902 final), according to the European Commission, the structural reforms of MSs’ public sectors is an important EU priority area, seen as vital to promote growth in the European economy, and improve both efficiency and effectiveness in the public sector. Reform of public sectors should thus be high up on the political agendas of the MSs’.

demands of a new tax-conscious electoral majority of voters asking for fiscal stability and lower taxes. With regard to the institutional factors, our findings suggest that the NPM reform rhetoric has been adopted by parties operating in public sectors characterised by centralised administrative structures and under national governments with ineffective policy actions. Thus, national parties might have been drawn to NPM reforms in order to decentralise national administrative systems and improve government effectiveness. Finally, results confirm that the NPM rhetoric has permeated national politics of MSs in reason of right-wing parties' prevailing support.

To summarise, political parties' rhetorical support for NPM-style reforms has spread across EU MSs mainly due to the political commitment of right-wing forces operating in national contexts of fiscal stress. Right-wing parties were responding to the demands of a new tax-conscious majority of voters with increasing levels of revenues, who urged their governments to decrease public spending. Meanwhile, this support for NPM values has prevailed in countries characterised by centralised administrative systems and by a lack of effectiveness in government action.

Even if the hypotheses tested in this study have only focused on parties' ideological support for NPM reforms as declared in their political manifestos, useful insights into the actual process of parties' adoption of reform plans emerge from the reading of our descriptive statistics of the PER303 variable. Indeed, when looking at these statistics we see that, on average, parties' ideological support for NPM-style reforms is not particularly salient in the electoral manifestos issued by parties of Northern European countries, whereas in Southern European countries such reforms turn out to be quite relevant. This result contrasts with the findings issuing from country-specific literature on the actual process of NPM reforms across Northern and Southern European states stating

that NPM systems are arguably used more frequently in Northern European public administrations by comparison to many other European countries (Hansen, 2011). Vis-à-vis this puzzling situation, Christensen and Lægreid (2011) help us clarify these descriptive statistics and warn that NPM reform ideology and NPM actual reform practice are not always aligned and that their controversial relationship should be interpreted according to national arenas. Our findings suggest that there can be two different situations of misalignment between reform ideology and practice. The first one is the misalignment situation of Southern European countries where – coherently with the myth theory (Meyer and Rowan, 1977) or the double-talk theory (Brunsson, 1989) – political parties may compose their electoral manifestos in order to present themselves in a better light without really intending to implement the policies proposed if elected to government. The second one is the misalignment situation of Northern European countries, where managerialist reforms were not ideologised and were introduced as mere technical and apolitical frameworks aimed at enhancing efficiency, effectiveness and economy in the functioning of old-style bureaucracies (i.e. Scott Bushnell and Sallee, 1990; Hood, 1991).

2.6 Conclusions

This paper has focused on the NPM reform rhetoric of the European national parties and has addressed MSs' domestic factors associated with the diffusion of the NPM values across the ideological platforms of these parties. In line with the recent research initiatives of the European Commission searching for novel quantitative data on NPM, this study has thrown light on the spread of the NPM reform rhetoric across the European countries and has provided empirical evidence about the patterns of diffusion of NPM values across the national parties' electoral programs.

We have focused on this topic because recent studies about administrative reforms in the EU countries have showed that the European Commission strives to enact these reforms in the domestic contexts of the MSs without the political support of the national parties that are required. Primarily, to build electoral consensus around the NPM values and, secondarily, to transform them into administrative reform plans once they are in power in the national legislators. By analysing the NPM rhetoric across national parties' electoral manifestos, the findings of this paper elucidate the first phase of this process and suggest that the NPM-style reforms are likely to meet the ideological support of right-wing parties operating in national contexts. This context can be characterised by increasing per capita income levels, fiscal stress, centralised administrative structures and poor effectiveness of governmental action. As to the second phase, concerning the actual implementation of the NPM-style reforms, the descriptive statistics discussed in the fifth section invites us to undertake new research initiatives accounting for the different situations of alignment and misalignment. According to Christensen and Lægreid (2011), these situations are likely to occur between the NPM reform ideology and practice. Indeed, these authors alert that a controversial relationship might exist between the NPM reform ideology and the actual reform measures adopted in a country and that this relationship can be subjected to various interpretations. Thus, drawing on Christensen and Lægreid (2011), we suggest that the CMD data about the parties' ideological support for NPM reforms undergo new research. In addition, we also suggest that it be cross-checked with data about the actual adoption by parties of these reforms in order to create a large database where countries can be sampled on the basis of their alignment/misalignment characteristics.

Moreover, the econometric model developed in this paper should be subjected to further investigation. First of all, the period under empirical examination should be extended in order to observe, if in the framework of a longer time span,

phenomena of political convergence may be seen between right- and left-wing parties in their call for NPM-style reforms. Drawing on Fournier and Grey (2000) it should be investigated if, within a larger time span, left-wing parties in Europe have increasingly called for NPM reforms. The focus should be on how these parties have contributed to the managerialization of the public sector. One hypothesis is that they have equated modernization with managerialization as right-wing parties have done. Secondly, they have shared right-wing parties' preoccupation with "quality" and league table measurement. Indeed, Fournier and Grey (2000) suggest that left-wing parties have tended to see political issues as amenable to "technical" solutions. These solutions are based on professional management remedies aimed at improving economy, efficiency and effectiveness in government and public administration.

Secondly, the availability of panel data should be enhanced in order to improve the robustness of the results concerning the impact of the institutional and economic variables on the spread of NPM rhetoric across the political parties' manifestos included in the model.

Finally, the study proposed in this paper has investigated NPM as a form of electoral supply responding to a specific configuration of the political, economic and institutional context. It would be interesting to investigate how the electoral demand – i.e. citizens' opinion – has reacted to specific reform plans adopted in the wake of the NPM parties' propaganda documented in this study.

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3. NPM and the European railways: the welfare effects of EU-driven liberalization policies (Essay 3)

Abstract

Network services such as electricity, natural gas, telecommunications, transport and water are crucial factors of economic well-being as they offer society the opportunity to coordinate, over time and space, large and complex flows of essential goods, people or services. Until the 1980s, these services in Europe were mainly provided by vertically integrated state-owned monopolies. Then, following the wave of NPM reforms in the organization of national public sectors, many governments dismantled state-owned enterprises. This section focuses on the European railway sector. After a brief explanation of the main transformations occurred in this sector, this study presents the EU regulatory milestones in support of liberalization and offers insights on the implementation status of these reforms in selected countries (France, Italy, Spain and Germany). It finally provides empirical evidence on the impact of railway-related regulatory regimes (market-friendly VS monopolistic regulations) on prices, investments and quality of rail services.

Keywords: regulatory regimes, liberalization, network industry, EU reforms, passenger prices, infrastructure investments, service quality

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3.1 Introduction

Network services such as electricity, natural gas, telecommunications, transport and water are crucial factors of economic well-being as they offer society the opportunity to coordinate, over time and space, large and complex flows of essential goods, people or services (Florio, 2013). Until the 1980s, these services in Europe were mainly provided by vertically integrated state-owned monopolies. Then, following the wave of NPM in the organization of national public sectors, many governments dismantled state-owned enterprises: 'Europe has been at the forefront of change. Elsewhere, in the USA, Latin America, Asia, and in formerly planned economies, there have been similar reforms, but perhaps nowhere have they been so consistently implemented as in the European Union. In the past two decades, first in the UK, then subsequently in all the other EU member states, governments have increasingly moved away from the direct provision of public services, from ownership of utilities, and from franchised monopolies. Ministries and independent regulators have shown a greater reliance on market mechanisms, and now consider the network service providers as market players ... In Europe, the critical mass for the policy shift was achieved in the 1980s, after the social and political upheavals of the 1970s and the severe oil shocks that destabilized public finances.' (Florio, 2013, pp. 5–8)

At the European Union (EU) level, policies aimed at creating a well-functioning internal market have played a key role in the restructuring of national network industries. In fact, for many decades an exclusion clause subscribed in the Treaty of Rome (1957) by the six founders of the European Community (Belgium, France, Italy, Germany, Luxembourg and the Netherlands) allowed them to exclude services such as telecommunications, transport, energy and water from some common market rules. Then, since the 1980s the EU's efforts to create a unique internal market for those services intensified and, in 2009, the Lisbon Treaty abandoned this exemption by introducing competition rules and forbidding

state aid, except under special circumstances to be notified and approved by the European Commission.

Within this context, over the last 20 years many changes have occurred in the structure, regulation and performance of European network industries. Florio (2013) provides a detailed analysis of how public ownership, vertical integration, entry regulation and market concentration have evolved across the EU 15's network industries over the last two decades. Firstly, telecommunications, electricity and airlines, despite some differences, experienced an almost effective process of regulatory convergence from the standard industrial organization (state-owned monopoly) towards the NPM model: this is particularly evident in the telecommunications sector. Secondly, when looking at postal services and gas over the last two decades, in both sectors there is no clear convergence as countries show very different regulatory settings. Finally, the rail sector represents a *sui generis* case as only few countries have actually modified the initial state-owned monopolistic structure of the industry. Indeed, only the UK showed a mostly fully liberalized and privatized industry, with Denmark, Sweden, Germany and the Netherlands midway or fairly advanced in the reform process. Despite little progress, remaining countries still show the fundamental features of the traditional industrial organization of the rail sector.

The Organisation for Economic Co-operation and Development (OECD, 2016) data about entry regulation, public ownership, vertical integration and market concentration provide detailed insights about the change process experienced by network industries over the last 20 years. Firstly, as to entry regulation, the data show that the rail sector has shown great resistance in improving terms and conditions of third party access (TPA), whereas all other sectors have been more accepting. Secondly, the OECD's information on public ownership reveals that, except for telecommunications, all other network industries have shown some resistance in reducing the shares owned – either directly or indirectly – by the

government in the largest firms in the sector. As far as vertical integration is concerned, telecommunications and – to a smaller extent – rail are the sectors demonstrating improved degrees of vertical separation among the different segments of the industry. Finally, concerning the market structure, telecommunications is the sector where network provision has evolved the most towards more competitive states of the market. In the majority of the other sectors, the market share of the largest company in the sector is between 50 per cent and 90 per cent. More specifically, rail and – to a smaller extent – gas industries are characterized by the highest number of countries where the market share of the largest company in the sector is above 90 per cent.

The considerations above show that rail is among the sectors that have resisted the most to the changes the NPM paradigm has introduced in the organization and management of state-owned enterprises. This essay thus focuses on the transformations of the rail sector over the last two decades and is organized in two sections. Section 3.2 describes the change by providing a historical overview of the reform context and referring to the main aspects of the organizational change experienced by the European rail industries in the last decades; it also outlines the most important regulatory innovations introduced by the EU in this sector. Section 3.3 assesses change by empirically investigating the way regulatory innovations have influenced the price, investment and quality of European rail services, using OECD's data from 1996 to 2013. We conclude this essay (Section 3.4) by offering reflections on the development of railways in Europe.

3.2 Reform context

Over the last decades, European public sectors and state-owned enterprises have experienced a profound process of organizational change in which private sector managerial tools and principles have spread across many countries with the aim of improving effectiveness, efficiency and economy (Aucoin, 1990; Hood, 1991,

1995; Stewart and Walsh, 1992; Walsh, 1997; London, 2002; Esposito et al., 2016). This change occurred between the 1970s and 1980s when the striking international trend of NPM reforms introduced a new paradigm for the organization and management of public sectors. ‘These reforms sought to reduce the role of the State in production, as well as in service delivery and to encourage the deregulation of public enterprises. The emphasis was on maintaining macro-economic stability, lowering inflation, cutting deficit spending, and reducing the scope and cost of government.’ (United Nations, 2001, p. 32)

In the wake of NPM-style restructuring of national public sectors, many European network industries evolved from vertically integrated state-owned monopolies to market-friendly and competitive organizational schemes¹⁹.

3.2.1 Rail Sector: Industrial Organization in Transition

The traditional organizational structure of most European railways in the post-war period was that of a vertically integrated state-owned monopoly. During this period, the rail sector was managed as a natural monopoly because of the high fixed costs associated with providing infrastructure and the importance of offering affordable and attractive public transport to all income groups (Drew and Ludewig, 2011). Nevertheless, in the 1950s the market share of most railways began to decrease in many countries as they were unable to compete with roads and airways. Many rail companies – particularly their freight branches – ran into traffic decline and financial difficulties. According to Drew and Ludewig (2011),

¹⁹ It is worth noting that NPM reforms and the liberalization of network-related Services of General Economic Interest (SGEI) do not refer exactly to the same thing. While NPM consists of a broad reform paradigm emphasizing the concept that ideas used in the private sector must be successful in the public sector, liberalization of SGEI refers to a specific model of providing network services. More specifically, before liberalization, the predominant model was vertical integration of network supply. Liberalization has allowed new entries in networks’ supply markets.

2. See Directives 2016/797, 2014/106/EU, 2014/38/EU, 2013/9/EU 2011/18/EU, 2009/131/EC, 2008/57/EC.

two reasons were behind these competitiveness shortcomings. Firstly, railways were traditionally managed as part of a government ministry with few incentives for managers to meet market requirements. Secondly, politicians expanded railway infrastructures and services without necessarily paying for it but rather by accumulating debt. These two characteristics of the railway sector – politically driven management and debt-based investments – were the major causes that represented the driving force behind the reform process of this sector in the 1990s.

The EU has played a key role in this reform process by promoting several regulatory instruments (Directive 91/440 and four railway packages in 2001, 2004, 2007 and 2016) aimed at: (1) establishing in the member states rules allowing for open access to railway infrastructure and fair competition between railways, undertakings for freight and international passenger services, in the context of a single European market for railways; (2) ensuring the financial viability of companies operating in the rail sector. The European Commission (1996, p. 3) highlighted both issues in the white paper, ‘A Strategy for Revitalising the Community’s Railways’, stating that: ‘the railways have been largely insulated from market forces. Governments have a certain responsibility in that as they often did not allow sufficient managerial independence and imposed obligations without compensating fully for the costs involved; they also failed to set clear financial objectives but subsidized losses or let debt pile up ... A new kind of railway is needed. It should be first and foremost a business, with management independent and free to exploit opportunities, but answerable for failure. For this it should have sound finances, unencumbered by the burden of the past. It should be exposed to market forces in an appropriate form which should also lead to a greater involvement of the private sector. A clear division of responsibilities is required between the State and the railways, particularly for public services.’

Through the use of regulation, the EU has prompted liberalization policies intended to: (1) allow new entrants to compete with each other and, mainly, with incumbent operators; (2) create the proper market conditions compelling companies to adopt price competition systems. However, beside regulatory instruments, a key role was played by its investment policy in Trans-European Networks (TENs) contributing to the ongoing liberalization process through improved technical harmonization and interoperability across Europe.²⁰

It is worth noticing that regulatory instruments and TENs investment policy have been introduced by the EU not only to support liberalization efforts but also to improve competitiveness. On the one hand, the above-mentioned regulation has been aimed at enhancing the business environment of rail sector undertakings and, by doing so, lowering costs. On the other, TENs' policy has prioritized member states' investments in high-speed rail (HSR) systems with the purpose of rendering railway services more competitive than those provided by roads and airways. Before the arrival of HSR services, railways were constantly losing market share in favour of roads (mostly for freight traffic) and air. Then, in 1981 the introduction of HSR services in Europe with the inauguration of the Paris-Sud-Est line was a break point for air, road and rail market share. It paved the way for the modernization of rail transport and favoured the promotion of effective competition between railways, roads and airways in terms of medium and long distance trips. Therefore, supporting the rail mode became one of the main axes of the European transport policies. In 1994, the Trans-European Network – Transport (TEN-T) programme was established and provided the most

²⁰ See Directives 2016/797, 2014/106/EU, 2014/38/EU, 2013/9/EU 2011/18/EU, 2009/131/EC, 2008/57/EC.

important EU financial framework to support member states' investments in railway infrastructures and, namely, HSR.²¹

3.2.2 EU Reform Framework: The Railway Packages

The EU's rationale behind the rail sector reforms was to create a single, efficient and competitive market for railways throughout Europe (the so-called 'Single European Railway Area'). In order to achieve this goal, the following key reform aspects were identified and implemented by the European Commission through four legislative packages plus a recast:

(1) unbundling of rail infrastructure and operating activities; (2) liberalization of access rights for railway undertakings; (3) commercialization of the incumbent railway companies; (4) technical standardization and improvement of interoperability; (5) introduction of independent national regulatory authorities (European Commission, 2001).

The First Railway Package, adopted by the European Commission in 2001, was composed of four directives. Directive 2001/12/EC had the objectives of: (1) introducing the 'open access' principle for the international freight services; (2) creating an independent body responsible for guaranteeing fair and non-discriminatory access to rail infrastructure; (3) avoiding cross-financing by imposing mandatory separation of balance sheets as well as profit and loss accounts for the infrastructure managers and train operators; and (4) defining infrastructure charging and licensing. Regarding the separation of infrastructure and operations, the directive allowed member states to achieve this either by creating distinct divisions within a single undertaking (the so-called 'holding

²¹ This became particularly clear in 2004 when TEN-T investment guidelines funded the realization of 30 priority projects: of these 30 projects, 18 related to rail and, of these 18 projects, 14 specifically to HSR.

company model') or by setting up independent entities charged with infrastructure management (Asmild et al., 2008, p. 5).

Another component was Directive 2001/13/EC, which stipulated the common criteria for granting the license to EU rail operators. The issue of capacity allocation was tackled under Directive 2001/14/EC. The deadline for implementing these legal instruments was 15 March 2003. The objective of Directive 2001/16/EC was to enhance the interoperability of the trans-European conventional rail system.

Together with the previously issued Directive 96/48/EC on the interoperability of the trans-European HSR system, these two legal instruments were designed to ensure a smooth and safe transit of trains from one member state's rail network to another. They focused on crucial technical aspects, such as safety, control systems, signalling, freight wagons and training for staff engaged in international rail transport operations.

In 2002 the European Commission proposed a new set of legal instruments (known as 'the Second Railway Package'), which entered into force on 30 April 2004. It encompassed three directives – scheduled to be implemented by 30 April 2006 – and one regulation.

The aim of Directive 2004/49/EC was to develop a common approach to rail safety.

With a view to clarifying interoperability requirements, Directive 2004/50/EC amended and updated Directive 96/48/EC and Directive 2001/16/EC. As a result, the scope of Directive 2001/16/EC was extended to cover the whole of the European rail network. Such a modification was of great importance as the full liberalization of the rail network to national and international freight transport services was scheduled for January 2007 (Directive 2004/51/EC).

Regulation 881/2004 (amended by Regulation (EC) 1335/2008) created the European Railway Agency (ERA), a body designated to coordinate safety and

interoperability efforts. ERA has played a key role in the alignment of technical and safety regulations in different member states and, by doing so, has been a driving force in the modernization of European railways.

The third step towards revitalization of the railways and the enhancement of an integrated European railway area took place in 2007 with the issuing of the so-called 'Third Railway Package'. It was composed of two directives and one regulation. The main objective of Directive 2007/58/EC was the liberalization of the rail market with regard to international passenger trains. The opening up of the international passenger services within the EU was scheduled for 1 January 2010. As a result, cabotage to international rail services was introduced. Pursuant to Directive 2007/59/EC the European licensing system for train drivers was created: minimum requirements relating to medical fitness, basic education and general professional skills for train drivers were set out. Regulation 1371/2007 stipulated minimum quality standards to be guaranteed to all passengers on all lines. One of its main innovations was the introduction of the compensation system in case of train delay – thanks to this instrument, passengers were granted the right to partial reimbursement of their ticket cost, depending on the extent of delay.

In 2012 the European Commission launched a recast of the First Railway Package in order to simplify and consolidate various existing legal provisions. Directive 2012/34/EU addressed the main shortcomings that had been identified by the European Commission.

As regards competition issues, Directive 2012/34/EU aimed at improving transparency of access conditions in the rail market by requiring, for instance, more detailed network statements and providing better access to rail-related services. The power of national rail regulators was further strengthened through the extension of their competences to rail-related services and ensuring their independence from any other public authority. In order to enhance rail

investment, Directive 2012/34/EU called for smarter infrastructure charging rules to be adopted and obliged member states to develop long-term strategies regarding investment in rail infrastructure.

The Fourth Railway Package was introduced in 2016 and consisted of two main parts: the so-called ‘Market Pillar’ and ‘Technical Pillar’. The former has aimed to recast the interoperability (Directive 2016/797) and rail safety directives (Directive 2016/798) as well as strengthen the role of ERA (Regulation 2016/796). The latter will allow for open access for domestic passenger services from 14 December 2020.²² However, this regulatory package does not impose full institutional unbundling of train operations and infrastructure management. Moreover, the introduction of competitive tendering of public service contracts in the railway sector was only partially achieved, given the numerous derogations to this principle.²³

Regarding all foregoing considerations, it turns out that not all of the EU’s targets have been fully achieved.²⁴ It is also appropriate to note that most EU legal instruments were adopted in the form of a directive. This means that their transposition into national legal systems is required in order for them to be fully effective. In other words, the practical impact of the EU regulatory innovations has greatly depended on the cooperation of member states²⁵ in implementing

²² See Directive (EU) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure, OJ L 352, 23.12.2016, pp. 1–17.

²³ See Regulation of the European Parliament and of the Council amending Regulation (EC) No. 1370/2007 concerning the opening of the market for domestic passenger transport services by rail, OJ L 315, 3.12.2007, pp. 1–13, Article 1(5)(b).

²⁴ Compare European Commission, ‘White Paper – Roadmap to a Single European Transport Area – Towards a Competitive and Resource Efficient Transport System’, COM/2011/0144 and Report from the Commission to the European Parliament and the Council – Fifth Report on Monitoring Development of the Rail Market, COM/2016/0780.

²⁵ regards Directive 2007/58/EC on the opening of the market of international rail passenger transport, none of the member states had notified its transposition on time. As a

supra-national reform guidelines. With this in mind, we now consider the actual reform implementation in several member states.

3.2.3 Actual Reform Implementation: Rail Passenger Sectors in Italy, France, Germany and Spain

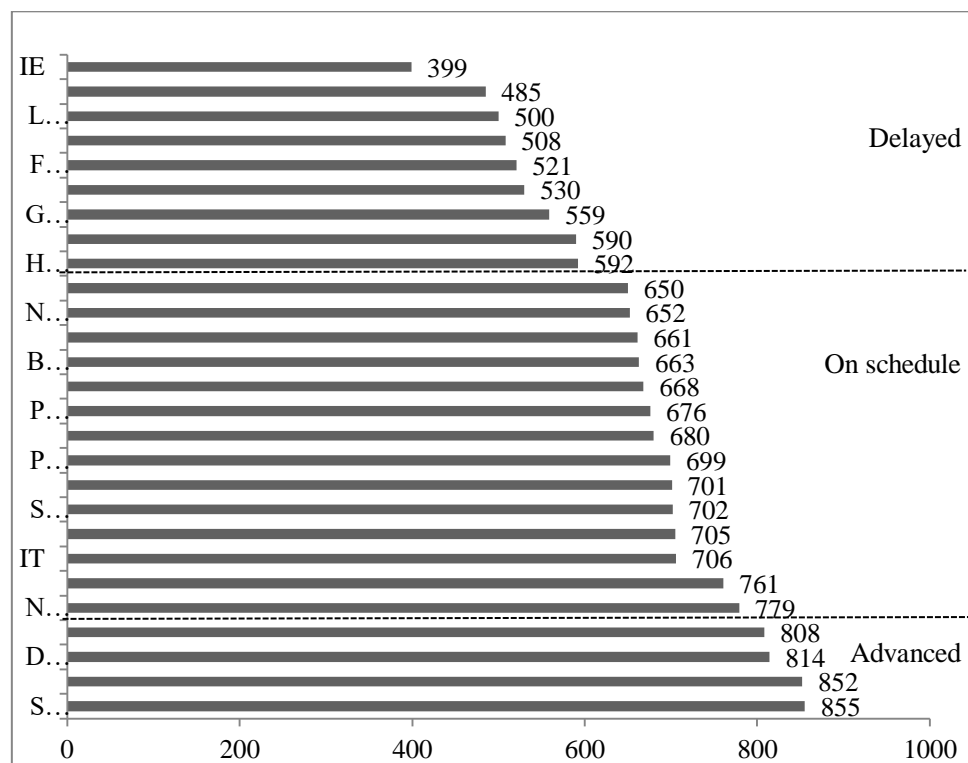
The status of reform implementation is measured by the ‘Rail Liberalization’ (LIB) Index. It depicts the degree of market opening among the EU member states as well as Switzerland and Norway. Specifically, the LIB Index considers legal entry barriers and practical market access possibilities for railway undertakings. However, it does not take into account market results like prices, quality and the degree of competition. Figure 3.1 reports data from the 2011 LIB Index and shows that the status of reform implementation varies across EU countries. While few member states (UK, Germany, Sweden and Denmark) presented an advanced stage of reform implementation (ahead of schedule), in the majority of countries reforms were on schedule or delayed. Following the enforcement of the EU’s four railway packages, positive achievements have been met with regard to the opening up of national freight and international passenger markets. Nevertheless, progress towards creating an integrated European railway area and a genuine EU internal market for railway services is still needed in the field of the national passenger market.

The OECD’s Energy, Transport and Communications Regulation (ETCR) indicator provides additional data to compare the status of implementation of railway reforms across European countries. However, unlike the LIB Index, it

result, the Commission opened infringement procedures against 19 member states on 31 July 2009 for failing to notify the measures taken to transpose Directive 2007/58/EC. See Report from the Commission to the European Parliament, the Council, The European and Social Committee and the Committee of the Regions on the implementation of the provisions of Directive 2007/58/EC on the opening of the market of international rail passenger transport accompanying the Communication to the Council and the European Parliament on the fourth Railway Package, COM/2013/034.

only captures differences in terms of regulatory regimes. The overall indicator ranges between 0 (describing a condition of full liberalization) and 6 (describing a condition of non-liberalization) and comprises issues of entry regulation, public ownership, market structure and vertical separation.

Figure 3.1: Rail reforms implementation status. Rail Liberalization Index 2011, rail passenger transport.



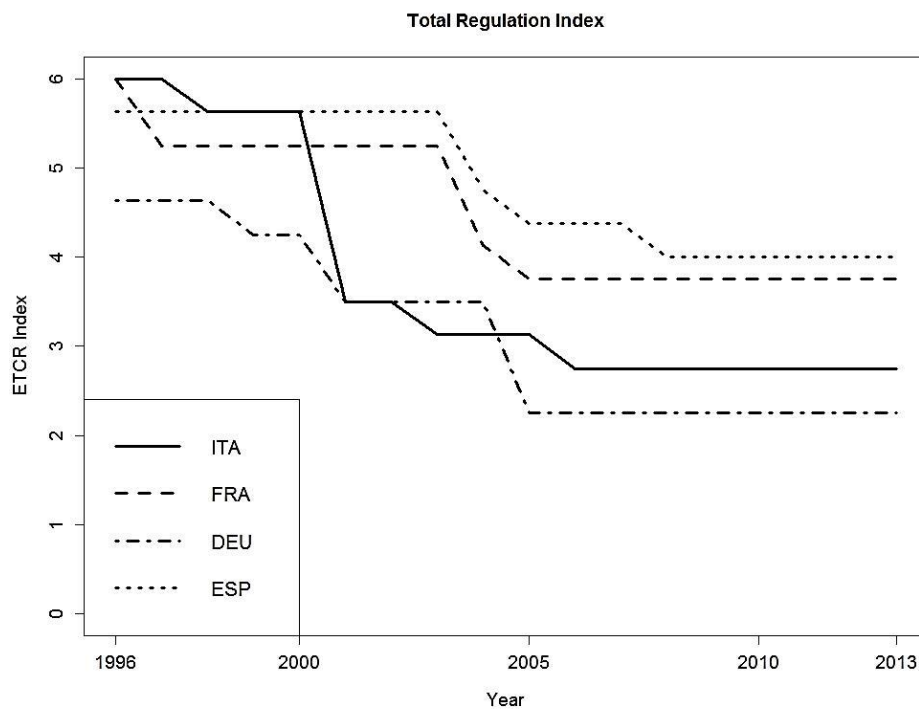
Source: LIB-Index

In a first step, it is important to observe the correlation between the LIB Index and the ETCR indicator in order to prove that both databases do not provide diverging information and, therefore, are equally reliable. We do find a significant and negative relationship (-0.75). As higher LIB and lower ETCR levels are

associated with increased liberalization, we conclude that both statistics yield similar results for our sample.

In order to gain a deeper insight, we narrow the focus of the analysis down to four selected countries: Italy, France, Germany and Spain. We chose these four countries to account for the three different situations of reform implementation status presented in Figure 3.1: advanced status (Germany), on-schedule status (Italy) and delayed status (France and Spain). Figure 3.2 shows that between 1996 and 2013 the reform process (as measured by the ETCR index) deepened in the four countries under examination: nevertheless, coherent with LIB Index, in France and Spain to a smaller extent than in Italy and Germany.

Figure 3.2: ETCR index across time (Italy, France, Germany and Spain)



Source: OECD

The Italian state-owned company underwent major structural transformations between 1986 and 1992: the workforce was reduced to half and divisions were created to rationalize the management. The company was privatized in 1992 with the creation of Ferrovie dello Stato SpA (FS SpA), a joint stock company. However, the privatization was only formal, since shares were still owned by the Italian government. On 1 June 2000, the company's two main divisions (service and infrastructure) were separated and two different independent companies were created: Trenitalia, responsible for transport service, and Rete Ferroviaria Italiana (RFI), responsible for the management of the rail infrastructure. Both companies are still subsidiaries of FS SpA.

The French company Société Nationale des Chemins de Fer Français (SNCF) – backed by national authorities – has shown resistance to the EU process of reform and over the years has intensively lobbied the European Commission to reduce the scope of EU regulation and push back the deadlines to comply with legal requirements (Drew and Ludewig, 2011). The implementation of EU reforms in France has been particularly slow and it was one of the last countries to transpose the European regulation into the national legal system. In fact, the separation between infrastructure management and operation management was introduced in 1997 when Réseau Ferré de France (RFF) was created to manage the rail infrastructure. The legal separation between infrastructure and operations was introduced with an unusual condition according to which RFF was obliged to employ the services of SNCF's technical infrastructure services (Drew and Ludewig, 2011). Moreover, rail freight competition was authorized only at the end of March 2006 and the opening of the international passenger transport market, along with the related cabotage, was introduced in early January 2010. RFF now operates again under the supervision of SNCF. On 1 January 2015, RFF became SNCF Réseau, the operational assets of SNCF became SNCF Mobilités, and both groups were placed under the control of SNCF.

In Spain, in November 2003 the Law 39/2003 was approved by the national parliament and transposed the first railway package into legislation. This law set the rules for a new organizational model of the Spanish rail sector, the end of the monopoly held by Renfe and the market opening to competition. It separated the management of transport services from the management of infrastructure and assigned them to two independent organizations, Renfe Operadora and Adif, respectively. The law also defined the conditions regulating the access of railway undertakings to the rail transport market by establishing a licensing system subject to the compliance with certain requirements. According to these legal provisions, service operators should pay Adif a fee for infrastructure usage, as well as for the use of stations and other facilities. Moreover, Law 39/2003 allowed the government to declare of public interest the provision of certain rail transport services financed by debt but necessary to ensure territorial cohesion in Spain. Finally, it establishes the gradual opening of the rail network to new transport companies introducing competition for the first time. From January 2005, national and international freight were liberalized while the market opening for the passenger transport was postponed. In September 2015, Law 38/2015 was released and changed the existing track access charging system, as it was not considered encouraging for newcomers. With the aim of increasing use of the Spanish network, the new regulation abolished the annual access charge – as it was seen as a major entry barrier to competitors – and allowed operators to be charged only for capacity allocation, line usage and use of electrification systems. The law also set financial incentives for Public Services Obligations (PSO), and established separate charges for the use of gauge-changing installations, station and platform tracks, as well as freight terminals and other sidings.

In Germany in 1994, two former state enterprises, Deutsche Bundesbahn and Deutsche Reichsbahn, were transformed into a single business enterprise (Deutsche Bahn AG) which – according to a new article of the German

constitution – was to be organized as a joint stock corporation with a privatization option (Drew and Ludewig, 2011). At the same time, German rail transport markets were opened to competition. Open access in both rail freight and passenger transport markets were based on provisions of the 1993 General Railway Act (*Allgemeines Eisenbahngesetz*, AEG), offering open access in all German rail transport markets. Directive 91/440/EEC provided non-discriminatory open access to the network infrastructure, not only for all German railway undertakings, but also for those coming from other EU member states. In April 2005, AEG was comprehensively revised by transposing the Second European Railway Package into the German law, also giving the Federal Network Agency (Bundesnetzagentur, BNA) new scopes of responsibility in the field of railway regulation. In 2010 the Third Railway Package entered into force and provided access rights for international cross-border passenger traffic. It was transposed into German law thanks to the fourth amendment to the General Railway Act, without seeking recourse from the possibility of restricting cabotage, and protecting parallel national public rail services – which are subsidized.

Despite the formal opening of market regulation promoted by EU regulatory effort, the state is still a crucial actor in the four countries under examination (Beria et al., 2010). This is especially true for the rail passenger sector where the state is simultaneously the owner, planner, client and regulator. It follows that the transposition of EU directives often resulted in a formal process of organizational separation (also known as legal unbundling) based on the holding company model.

In Italy, Rete Ferroviaria Italiana – network manager – and Trenitalia – service provider – both participate in Ferrovie dello Stato, the public holding company of the rail industry. A similar situation occurs in Germany where the federal state holds via Deutsche Bahn both DB Netz and DB Bahn. In France and in Spain –

where the domestic market is open to competitors just for cross-border and freight traffic – the situation is the same: the state owns both entities.

In France, as of 1 January 2015 SNCF and RFF merged together (and RFF was renamed SNCF Réseau) to form a single state-owned railway company ‘to strengthen and modernize the railway service in France’ (Ministère de l’Environnement de l’Énergie et de la Mer, 2013, p. 1). The intention is to have the system ready by 2019, when the network will be opened to competitors, including domestic traffic.

As for planning, in all selected countries the state still represents the key player. Indeed, in all examined countries, investments in maintenance and network development often result from negotiations between the network manager and the public authority, with the latter determining price and investment funding. Germany represents a *sui generis* case as investments concerning the regional network are managed jointly with regions.

Furthermore, in all selected cases, the state is also the client of railway companies. Indeed, regional traffic – which is a PSO – is subsidized everywhere by the states’ or regions’ budget. States’ or regions’ authorities negotiate standard service levels and prices with the provider. In Italy, the regulatory framework is stricter than anywhere else as there is no negotiation between regions and service providers about PSO. In this country the region can unilaterally determine the required service level and price that it is going to pay for the service.

As to regulation, there are different arrangements in place between France and Spain, on the one hand, and Italy and Germany, on the other. Fixing prices for PSO is a prerogative of regional authorities in both Germany and Italy, whereas in France and Spain it is up to the central state. Concerning access of newcomers to the network, while in France and Spain the market is closed to new competitors, in Italy and Germany the state has the right to determine the access rules: particularly in Italy, the licensing rules are clearly in favour of newcomers. In

both Italy and Germany, slot allocation rules are still missing due to the fact that traffic congestion only occurs on certain links and never in profitable tracks.

In a nutshell, in-depth insights for the selected countries show that despite formal improvement of market access regulation, the actual organization of the rail industry still relies on state-controlled structures. The state is still a crucial actor and is often the owner, planner, client and, eventually, the regulator. It follows that the EU objective of creating a single and competitive European railway market seems to be barely met by some member states which still prefer to manage rail sector-related services by using state structures instead of market arrangements. Beria et al. (2010) argue that this happens because national governments consider railways as a strategic sector playing a crucial role in the design and implementation of overall national industrial and economic policy. Nonetheless, some improvements are expected with the implementation of the Fourth Railway Package.

3.3 Empirics

In the preceding sections, we have described rail sector transformations and the process of opening up national state-owned monopolies through liberalization policies promoted by the EU. In addition, the regulatory effort through European legislation as part of several reform packages has been outlined in detail. We then focused on the status of reform implementation in Italy, France, Germany and Spain.

The aim of this section is to conduct a quantitative analysis of the relationship between regulatory regimes prevailing in national railway sectors, on the one hand, and the price of rail passenger services, investment level in infrastructures and quality aspects, on the other. Prices and investments are addressed by an econometric strategy outlined below.

3.3.1 Data and Estimation Strategy

We merge several datasets from the OECD, European Commission and DICE Database to analyse the relationship between rail sector regulatory regimes and consumer prices for rail passenger services, as well as railway infrastructure investments.

With regard to our data structure, we created a panel dataset that includes all EU member states (except for Malta and Cyprus as these countries do not have railways). Regarding the time dimension, our unbalanced²⁶ dataset comprises the years from 1996 to 2013. Formally, we specify the following empirical estimation equation:

$$y_{it} = x'_{it}\beta + \eta_i + \mu_t + \varepsilon_{it} \quad (1)$$

Subscripts i and t denote a country at a specific point in time. While y_{it} depicts the dependent variable (e.g. prices for rail passenger services), x'_{it} is a row vector that captures explanatory variables (e.g. regulation, passenger kilometres, consumer price level and gross domestic product) and β is a column vector of respective coefficients. The country-specific variable η_i summarizes unobserved individual components, μ_t captures time fixed effects and, finally, ε_{it} denotes the independent and identically distributed error term with its usual characteristics. In order to account for time-invariant country-specific factors, we apply the fixed effects

²⁶ As pointed out by Kwak (2011), missing values in a panel dataset could lead to biased and inconsistent results unless absence occurs completely at random. Formally, missing completely at random can be tested with Little's MCAR test (Little, 1988). This test rejects the assumption of completely random absence in our data. Further investigation shows that concerns of non-random missing values arise for the group of countries comprising Bulgaria, Croatia, Czech Republic, Greece, Hungary, Latvia, Lithuania, Romania and Slovenia. Although our general results are robust to the exclusion of these countries, prudence is necessary when applying our estimates on this group of countries. Further results are available upon request.

estimator by considering the variation within the countries over time (Wooldridge, 2014).

The first dependent variable to take into account is the ‘Harmonized Consumer Price’ Index for rail passenger services extracted from Eurostat (European Commission, 2016a). This variable is crucial for our analysis as lower prices are commonly expected to be a result of deregulation. It should be pointed out, however, that estimation results relying on this harmonized price index should be interpreted with caution. Firstly, only a small sample of rail products that might not represent the general market is taken into account (European Commission, 2016c). Secondly, railway prices at the regional level are often regulated and therefore largely independent from the degree of market liberalization.

In our second model, railway infrastructure investments at current prices in million euros serve as the dependent variable (DICE Database, 2014). Without question, investments are of central importance as they are necessary for a reliable and competitive railway system and capture the firms’ long-term-decisions.

Concerning our set of explanatory variables, we are primarily interested in the coefficients associated with the degree of regulation. The OECD’s ETCR indicators provide a quantitative measure of the regulatory regime in the railway market. These indicators cover entry regulation, public ownership, vertical integration as well as market structure and range between 0 and 6. Higher values imply tighter regulation (OECD, 2016).

As further covariates, we add billions of travelled passenger rail kilometres, the overall Harmonized Consumer Price Index as well as the gross domestic product at current prices in billions of purchasing power parities (European Commission, 2016a). While the former variable is included to control for demand effects, the latter two rule out possible endogeneity arising from the overall economic development.

Table 3.1: OLS estimation of the relationship between regulatory policies and the price for rail passenger services

Dependent variable:		
	PRICE FOR RAIL PASSENGER SERVICES	
	(1)	(2)
Entry	-2.704*** (0.713)	0.637 (0.387)
Public Ownership	-2.672** (1.288)	0.044 (0.665)
Vertical Integration	-8.183*** (1.162)	-1.860*** (0.626)
Market Structure	-0.095 (0.825)	0.893** (0.414)
Passenger Kilometres	-0.197 (0.272)	-0.355*** (0.137)
Harmonized Consumer Price Index	0.059 (0.046)	0.035 (0.024)
Gross Domestic Product	0.040*** (0.010)	-0.005 (0.006)
Country Fixed Effects	Yes	Yes
Time Fixed Effects	No	Yes
Observations	317	317
R2	0.492	0.181
Adjusted R2	0.450	0.059
F Statistic	40.400*** (df = 7; 292)	8.680*** (df = 7; 275)

Note: *p<0.1; **p<0.05; ***p<0.01

3.3.2 Estimation Results

The aim of our first model is to identify the relationship between state-level regulatory regimes and the price for rail passenger services by including travelled passenger rail kilometres, the overall Harmonized Consumer Price Index as well

as the gross domestic product as covariates. Table 3.1 presents our results. While column 1 solely includes dummies for the sample of countries, column 2 also considers time-specific effects.

The model presented in column 1 yields significant and negative coefficients for the regulatory variables of entry, public ownership and vertical integration. This implies that a looser regulation in these areas correlates with higher prices for rail passenger services. In addition, rises in the gross domestic product are also associated with price increases.

When not only country but also time-specific fixed effects are considered, the significance and the magnitude of our coefficients change. Specifically, we find that the indicator for vertical integration drops to around one-quarter of its initial value, while the only other significant regulatory variable to remain is market structure – that positively correlates with the price for rail passenger services. In addition, travelled passenger kilometres are negatively associated with this price index. To summarize, we find no evidence that deregulation in the railway sector is associated with lower prices.

One of the reasons for deregulating European rail sectors was the expectation that more competition would have increased investment expenditures (Kern et al., 2010). Therefore, our second model examines the relationship between railway infrastructure investments and OECD's regulatory indicators as well as our other covariates. Nevertheless, data are only available for the period between 1996 and 2010 (DICE Database, 2014). Table 3.2 summarizes the regression results. Again, column 1 considers country and column 2 country as well as time-specific effects. The regression results show a similar pattern for both models. Specifically, lower levels of regulation in the fields of vertical integration, as well as market structure, are correlated with higher railway infrastructure investments. Quantitatively, a decrease in these two categories of the regulation index by one unit is associated with a rise in rail investments by around 360 and 175 million

euros, respectively. In addition, decreasing overall price levels (columns 1 and 2) as well as a rising gross domestic product (column 2) are also associated with a growth in investments. These results lead to the conclusion that lower levels of regulation are indeed correlated with more investments.

Table 3.2: OLS estimation of the relationship between regulatory policies and railway infrastructure investments

Dependent variable:		
	RAILWAY INFRASTRUCTURE INVESTMENTS	
	(1)	(2)
Entry	91.336 (60.094)	70.171 (61.312)
Public Ownership	139.033 (98.519)	140.720 (99.101)
Vertical Integration	-355.170*** (103.631)	-364.092*** (108.375)
Market Structure	-175.849** (69.543)	-172.576** (68.348)
Passenger Kilometres	6.291 (24.033)	10.363 (23.868)
Harmonized Consumer Price Index	-13.343*** (3.744)	-11.500*** (3.712)
Gross Domestic Product	0.839 (0.854)	2.143** (0.927)
Country Fixed Effects	Yes	Yes
Time Fixed Effects	No	Yes
Observations	276	276
R2	0.249	0.215
Adjusted R2	0.174	0.074
F Statistic	11.825*** (df = 7; 250)	9.131*** (df = 7; 233)
Note: *p<0.1; **p<0.05; ***p<0.01		

To summarize, this subsection has shown that the relation between regulation in the rail sector and prices for rail passenger services is far from clear, while it demonstrates that deregulation correlates with high levels of infrastructure investments. More importantly, the main finding is that there is no evidence that the regulatory innovations promoted by the EU are correlated with lower prices for final users in the member states.

3.3.3 Quality Aspects

Furthermore, it is important to consider differences in terms of quality of rail services across member states and the relationship between market liberalization and quality. One way of evaluating quality aspects is to measure customer satisfaction of rail services in general as well as actual punctuality and reliability in particular. These data are provided in the Flash Eurobarometer Survey FL382a on ‘Europeans’ Satisfaction with Rail Services’ conducted in 2012–13 (European Union Open Data Portal, 2015). As the Eurobarometer data on satisfaction are limited to the year 2012 the questions of interest can only be analysed in a static framework; however, we are confident that this still provides a useful insight to quality differences across member states.

Figures 3.3a and 3.3b depict information on satisfaction with rail travel, service frequency and punctuality/reliability.

On average, approximately half of the respondents report their level of satisfaction with rail travel as ‘high’ or ‘good’ (Figure 3.3a). However, one can notice a large variation across member states with Western European countries generally reporting higher levels of satisfaction. Also with respect to punctuality and reliability as well as service frequency, satisfaction scores vary substantially between member states (Figure 3.3b) (European Commission, 2016c).

Figure 3.3a: Satisfaction scores with rail travel and railway stations across the EU. *Source:* European Union Open Data Portal, 2015

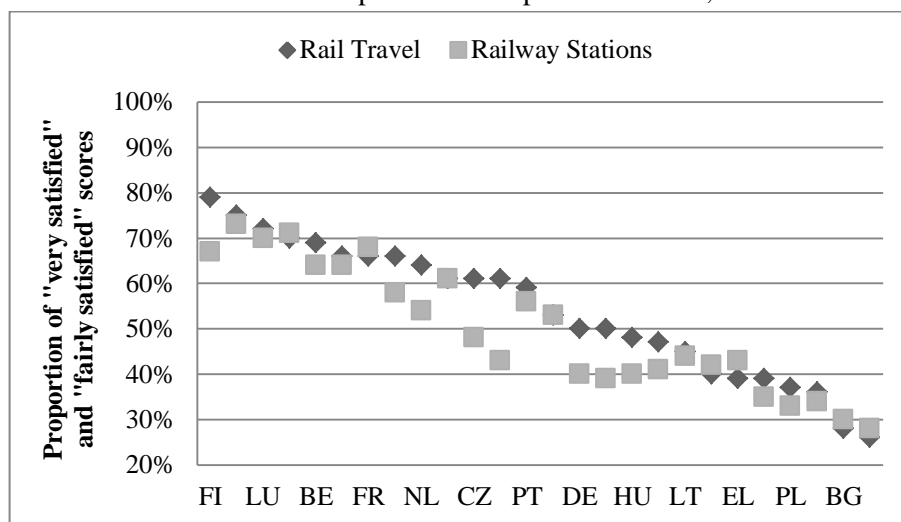
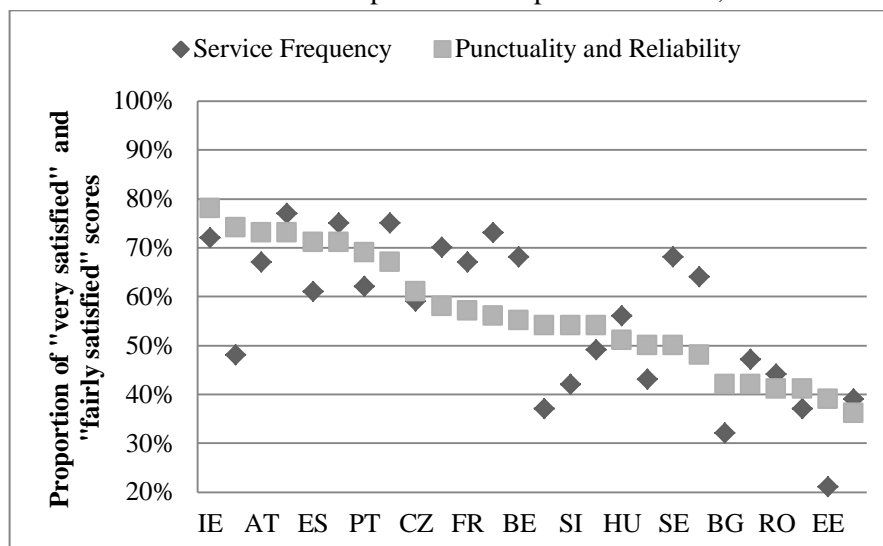
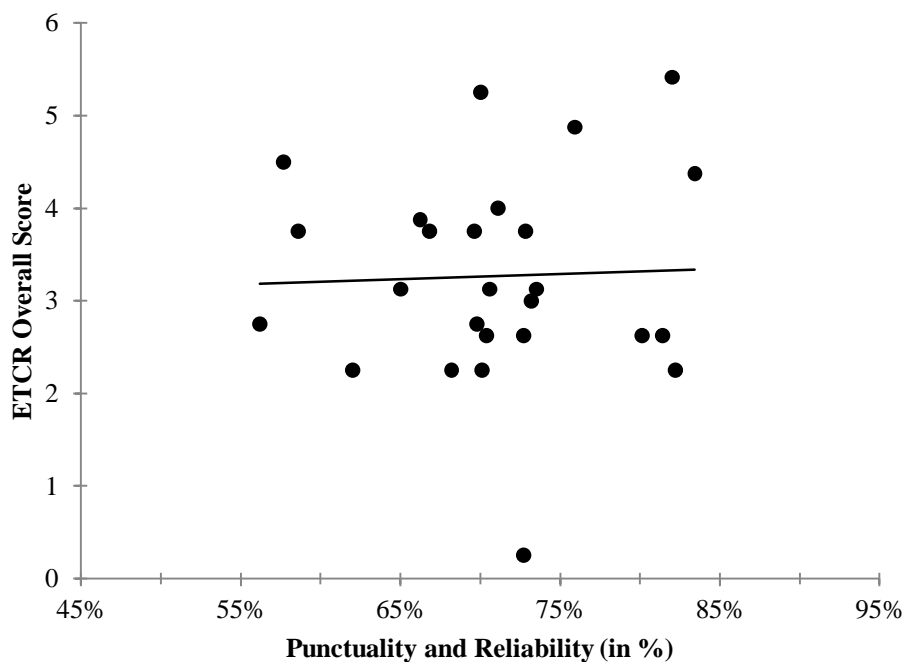


Figure 3.3b: Satisfaction scores with frequency and punctuality/reliability across the EU. *Source:* European Union Open Data Portal, 2015



We also check if it is possible to find any relationship between the perception of quality and the state of market liberalization (Figure 3.4). While perceived punctuality and reliability differ considerably between countries, there is no significant correlation between them and the regulatory regimes as captured in the ETCR score. However, it should be considered that satisfaction levels might differ across countries for other reasons, thus not fully reflecting actual punctuality of train services.

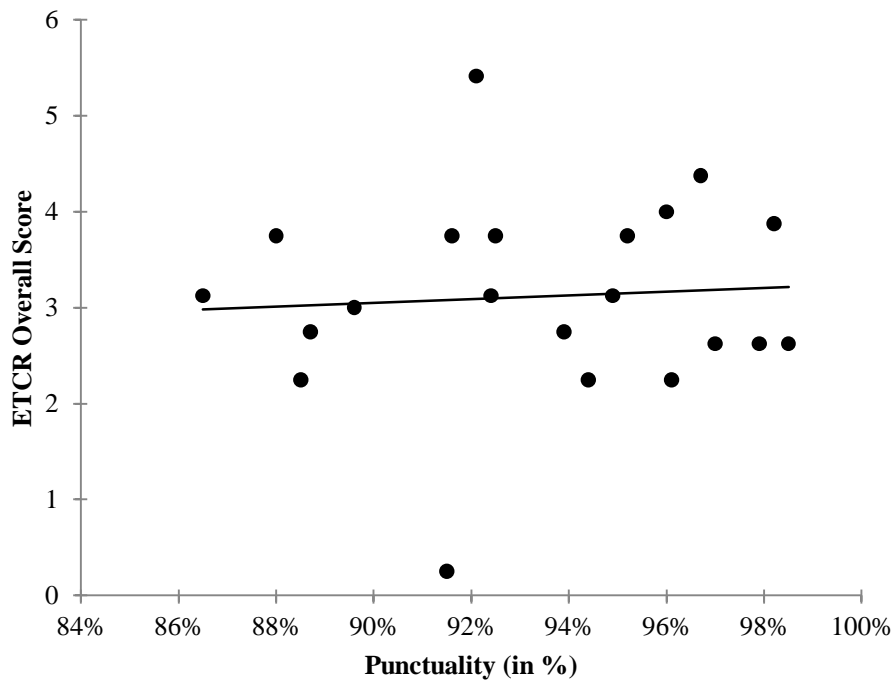
Figure 3.4: Correlation between ETCR and perceived punctuality and reliability



In a next step, we considered the relationship between ETCR indicators and actual punctuality (Figure 3.5), as provided by the European Commission (2014b). Actual punctuality is measured as the percentage of regional and suburban trains with less than five-minute delay in the year 2012. When using data on actual

punctuality instead of perceived punctuality we find a similar relationship between quality and regulation as before. While the variation in actual punctuality across member states is less pronounced than the perceived value, once again we find no clear-cut correlation between punctuality and market-friendly regulatory regimes. It is also worth noticing that the European Commission (2016c) finds that punctuality and reliability rather depend on the size of the country and the number of passengers travelling on the line.

Figure 3.5: Correlation between ETCR and actual punctuality and reliability



The perception of the evolution of quality of rail services over the past years seems to be ambiguous on the aggregate European level. While 34 per cent of the surveyed persons report that the quality of rail transport has improved, 27 per cent state that there is deterioration during the same time period (European

Commission, 2014a). However, this ambiguity may result from the aggregate perspective, as we have seen that quality, and potential changes in quality, differ considerably across countries.

3.4 Conclusions

This essay has attempted to explain and assess the process of change European railways have undergone over the last decades. After a brief explanation of the main transformations that occurred in these sectors, Section 3.2 presented the EU regulatory milestones in support of liberalization and offered insights on the implementation status of these reforms in the selected countries. Our major conclusion from this section is that, despite the formal improvement of market access regulation, in several European countries reforms achieved mixed results, as state-controlled structures still play a crucial role in the organization and management of railway industries. However, improvements could be expected for the future when member states will have fully transposed the Fourth Railway Package, adopted in 2016. In Section 3.3 we went a step further and undertook an empirical study of the relationship between regulatory regimes in national railway sectors, on the one hand, and the price of rail passenger services, investment level in infrastructures and quality of the service, on the other.

As far as prices are concerned, our analysis could not find any evidence that liberalization reforms are correlated to lower prices for passengers. This last finding leads to a number of reflections. Firstly, the impact of inefficiencies on the prices of public- or private-led operations is not clear-cut and, drawing on Holmberg et al. (2009) and Florio (2013), one can assume that it largely depends in fact on (a) the quality of governance mechanisms in both environments and (b) the actual role of competition, rather than specific regulatory regimes. Secondly, one can suppose that reforms have not lowered prices because existing TPA regulations are not fully effective. This would be coherent with our findings on

reform implementation status showing that, despite the formal improvement of market access regulation, in several countries the state still plays the role of owner, planner, client and regulator. Finally, there is a remark to be made regarding the political dimension of the reforms debated in this essay, as in the last 20 years they have not resulted in lower prices. Indeed, as noticed by Florio (2013), governments may have good reasons to consider rail services as essential to society and cast doubt on the social desirability and functioning of market mechanisms in the provision of these services. This is especially true for governments committed to ensure that household expenditure for railway services does not exceed a given share of their income. In this case, governments would consider economic accessibility of railway services a crucial political objective to which market logics could be eventually adapted.

As for investments, our findings are coherent with the existing literature and confirm that market-friendly regulatory regimes are correlated with higher investment levels (Kern et al., 2010). Indeed, one of the major problems associated with state-owned monopolies was the low level of investments in the rail network: only when competition and market arrangements were introduced did investment flows experience new positive trends.

Regards quality, because of data limitation, we could only analyse this aspect in a static framework by using 2012 Eurobarometer data on customer satisfaction of rail services as well as on actual punctuality and reliability. Our analysis could not find any significant correlation between these data and ETCR indicators on regulatory regimes. However, it is worth remembering that there might be other factors which influence customer satisfaction more clearly than regulatory regimes do (for example, cultural differences among countries may be associated with different conceptions of satisfaction). The same is true for actual punctuality and reliability, which rather depend on the size of the country and the number of passengers travelling on the line (European Commission, 2016c).

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4. Synthesis: NPM reforms to national rail industries in Europe and the creation of one single EU market

The three essays presented in Part 1 of this dissertation examined how the NPM ideology developed through the political agendas of European national parties and was translated into actual reform plans by governments, in the context of railways. Table 1 summarizes our research questions and answers to them.

Essays	Research Questions	Answers
1	Have NPM reforms been construed as a technical, rational analytic and evidence-based domain, disconnected from party political life; or, conversely, have these reforms been characterized by a growing political profile over time?	NPM ideas have been spreading in the electoral programs of Western European parties from the late-1970s onwards, mainly due to the commitment of New Right neoliberal forces. Later in the 1990s, following the fall of Soviet Union and the decline of socialist ideas, also Eastern European parties opened their electoral programs to NPM reforms. The commitment here was more bipartisan.
2	In which political, economic and institutional contexts have European national parties used NPM ideas to compose their electoral manifestos?	NPM ideas have been spreading across the electoral programs of EU's national parties mainly due to the political commitment of right-wing forces operating in national contexts of fiscal stress and poor governmental action. These parties were responding to the demands of a new majority of tax-conscious voters with increasingly high revenues, who urged their governments to decrease public spending and downsize centralized administrations.
3	What is the effect of EU-driven NPM reforms on prices, quality and investments in the rail services sector?	While NPM reforms to railways do not entail any clear-cut improvement in terms of welfare for the EU citizens (prices and quality), they have clearly contributed to generate new infrastructure investments.

Table 1 – Part 1 - Findings summary

In essay 1 and 2, we primarily focused on the relationship between NPM reforms, political ideology and public expressions of support for these reforms by European political parties. Then, in essay 3 we narrowed the focus on the implementation of NPM reforms in the rail sector by investigating their effects on user prices, service quality and infrastructure investments.

4.1 ‘A spectre is haunting Europe’: NPM ideas across the European party manifestos

Our findings in essay 1 show that, from the 1950s onwards, NPM ideas have been spreading in the political agendas of Western European parties by following a stage model of incubation (1950-1960), growth (1970-1990) and maturity (1990-2010). We suggest that these values coalesced into a homogeneous system of beliefs during the 1950s and 1960s with the rise of new institutional economics and public choice theory (Downs 1957, Niskanen 1971, Buchanan 1972). Drawing on Hayek’s and Mises’ economic philosophy, these new economic disciplines increasingly advocated the primacy of market institutions over state bureaucracies in the economy of the public sector. However, these ideas had no appeal for political parties’ agendas until the 1970s when Keynes’ economic theory came to be considered outdated as it could not explain stagflation, a combination of inflation and long-term unemployment (de Vries 2010). These problems led to a rethinking of state-led development: “by the late 1970s there was increasing criticism by the New Right neoliberals of the size, cost and the role of government, and doubts about the capacity of governments to rectify economic problems. The Keynesian welfare state was seen as a monopoly provider of services and as fundamentally inefficient.” (Larbi 1999: 13). Therefore, in the 1980s, a “striking international trend” (Hood 1991) of reform initiatives took place in several Western countries with the aim of modernizing the public sector through the use of private sector techniques and market based

strategies grounded on efficiency and effectiveness (Pollitt 1990, Ridley 1996). From the 1990s onwards, the NPM paradigm was widely accepted as the "gold standard for administrative reform" (Peter 1997: 71) not only in the Western Europe but also in the Eastern one. Following the fall of Soviet Union and the decline of socialist ideas, Eastern European parties turned to the West and, namely, to the EU. Throughout the 1990s and 2000s, they opened their political agendas to NPM reforms. Regardless of their political orientation, national parties in many Eastern European countries increasingly declared their support for these reforms. We explained this homogenization of party supply by two reasons. Firstly, vis-à-vis the uncertainty generated by the transition from socialism to capitalism, political and economic models of the EU's member states were seen as normatively 'superior' and readily transferable to displace pre-existing 'inferior' models (Hughes et al. 2005). Secondly, European integration policies also played a key role as EU's conditionality in public-administration development was particularly emphasized during the two Eastern enlargements in 2004 and 2007 (Drechsler and Randma-Liiv 2014). Accession countries from Eastern Europe were indeed requested to systematically demonstrate their administrative capacity to effectively apply EU regulation in order to obtain their EU membership (Dimitrova 2002, Meyer-Sahling 2011).

4.2 Top-down pressures for change: the NPM model and the enactment of the EU's soft regulation by national parties in the Member States

In essay 2 we explain that the supranational pressures of EU integration policies have been crucial also for the diffusion of NPM ideas across the political agendas of Western European countries. Indeed, since the 1950s these countries have been experiencing the creation of new supranational powers – the European Coal and Steel Community (ECSC), the European Atomic Energy Community (EURATOM), the European Economic Community (EEC) and, most recently, the

EU - that have come to coexist with traditional powers of nation states. These traditional powers, which used to be wielded individually by the European nation states as an exercise of sovereign prerogatives, came progressively to be shared at a supranational level with other states through a neoliberal market process of institutional integration (e.g. Hall and Soskice 2001, Ney 2001). While the market was becoming a unifying benchmark, national barriers began to fall (Nizzò 1999).

Since the late 1970s, this process of neoliberal integration at the supranational level has been leading to a reorganization of national public sectors on the basis of NPM models. The aim was to (1) reduce the public expenditure, and (2) promote liberalization and privatization policies in the provision of public services. During the 1990s, with the adoption of the Maastricht Treaty functioning as an external pressure for budget restrictions at the state level (Pollitt et al., 2007), this restructuring process intensified and EU institutions strengthened their commitment to the diffusion of the NPM model across the Member States (Bauby 2008, Boggetti and Obermann 2008, Clifton et al. 2011). The European Commission chose to transpose the NPM model into the national administrative systems without establishing binding pan-European rules, but rather by using instruments of soft regulation (Mény, 1993; Page and Wouters, 1995; Spanou, 1998; Della Cananea, 2004, Eichengreen, 2008). These instruments were aimed at “re-orienting the direction and shape of politics to the extent that [EU] political and economic dynamics become part of the organizational logic of national politics and policy making” (Ladrech, 1994: 69).

Vis-à-vis these instruments of soft regulation, national parties have been playing a crucial role by: (1) absorbing the NPM values into their ideological platforms and build electoral consensus around them; and - once in power – (2) transforming them into executive reform plans (Gafney, 1996; Ladrech, 2001). Our findings in essay 2 suggest that NPM reform ideas have been spreading across the national

political agendas of the EU's Member States mainly due to the political commitment of right-wing parties operating in national contexts of fiscal stress and ineffective governmental action. These parties were responding to the demands of a new majority of tax-conscious voters with increasingly high revenues, who urged their governments to decrease public spending and downsize centralized administrations.

4.3 Towards one single European rail market: NPM reforms to railways and the accomplishment of the trans-European transport network

Over the past fifty years, NPM reforms to government have been encouraging the deregulation of public enterprises and, in so doing, have sought to reduce the role of the State in production and service delivery. As explained by the United Nations (2001: 32), the emphasis of these reforms has been “on maintaining macro-economic stability, lowering inflation, cutting deficit spending, and reducing the scope and cost of government”.

In Europe, many state-owned enterprises have undergone a profound restructuration process due to liberalization reforms promoted at the supranational level by EU institutions. As explained by Florio (2013: 5–8), network industries – in the transport, energy and telecommunication sectors – have been at the forefront of change: “Elsewhere, in the USA, Latin America, Asia, and in formerly planned economies, there have been similar reforms, but perhaps nowhere have they been so consistently implemented as in the European Union. In the past two decades, first in the UK, then subsequently in all the other EU member states, governments have increasingly moved away from the direct provision of public services, from ownership of utilities, and from franchised monopolies. Ministries and independent regulators have shown a greater reliance on market mechanisms, and now consider the network service providers as market players [...], the critical mass for the policy shift was achieved in the

1980s, after the social and political upheavals of the 1970s and the severe oil shocks that destabilized public finances”.

In essay 3, we have focused on EU-driven reforms of national rail industries. In the post-war period, the traditional organization of most European railways was that of a vertically integrated state-owned monopoly. During this period, the rail sector was managed as a natural monopoly because of the high fixed costs associated with providing infrastructure and the importance of offering affordable and attractive public transport to all income groups (Drew and Ludewig, 2011). Things started to change in the mid-1980s, when the new European Commission took place (on 7 January 1985) with the French Jacques Delors as President.

Following a complaint from the European Parliament (supported by the European Commission), on 22 May 1985 a ruling of the European Court of Justice urged the governments of the Member to act on transport policy and support the liberalization of European transport markets. The Court insisted that national and international services – for both passengers and freight transport - be opened up to competition. The following year, on 17-28 February 1986, the governments of 12 Member States²⁷ signed the Single European Act (SEA), setting the objective of establishing a single market by 31 December 1992. Having the SEA as juridical basis, the European Commission planned to adopt around 300 directives to dismantle the physical, political and fiscal barriers to the free movement of goods, services, capital and people (so called “four fundamental freedoms” in the reformers’ rhetoric). Rail transport services for passengers and freight were both part of this ambitious reform plan, which went a step further in 1992 with the approval of the Maastricht Treaty – aiming at the creation of a single transport market in the EU.

²⁷ Germany, Belgium, France, Italy, Luxembourg, the Netherlands, Denmark, Ireland, the United Kingdom, Greece, Spain and Portugal

Within this framework, from the early-1990s onwards, the EU committed to an intense regulatory production aimed at creating one single, efficient and competitive European market of rail services throughout Europe. These regulations had the threefold objective of: (1) unbundling infrastructure management and service operations; (2) opening the European market to competition by liberalizing the provision of rail services; and (3) promoting interoperability and technical harmonization to encourage the development of an integrated rail system acting as physical basis for a single European rail market.

Essay 3 of this dissertation focused on the implementation of these regulations across the Member States, by estimating how much value these regulatory innovations have created for the European society. We thus examined to which extent the adoption of above-mentioned regulatory regimes by a country of the EU is associated with an improvement of user prices and quality of the service – on the one hand -, and investments in new infrastructures - on the other. In fact, as suggested by Florio (2013), governments may have good reasons to consider rail services as essential to society and adopt the NPM model by having in mind positive impacts on the national welfare (e.g. lower prices and better quality for citizens). According to our empirical analysis, there is no straight evidence that these reforms are correlated to lower prices and better quality. Conversely, we find a positive correlation with higher investments in railway infrastructures. Our results suggest that while NPM reforms to railways do not have any clear-cut positive effect in terms of welfare for the EU citizens, they have contributed to generate new infrastructure investments. More studies are needed in the future to investigate these emergent propositions.

To better understand these findings, it is worth remembering that a key innovation of the 1992 Maastricht Treaty was Article 129b, establishing the Trans-European

Network – Transport (TEN-T) policy²⁸. The governments of the Member States introduced this policy in the Treaty to enable new infrastructure investments (within their domestic contexts) for the creation of a single European rail area, without internal frontiers. TEN-T was crucial for the accomplishment of ongoing liberalization reforms. These were, in fact, strictly connected to the removal of physical and technical barriers between EU Member States to allow trains to travel frictionless across national borders. For example, with international trains it was usually the case that the engine had to be changed at the frontier station. In especially difficult cases passengers had to change trains or goods had to be reloaded. There was thus a need to harmonize the national infrastructure systems because of differences in platform heights and command systems. In the railway sector different gauge widths, electrification standards and safety and signaling systems made it more difficult and more costly to run a train from one country to another. In this situation, the European transport market was fragmented - and no liberalization initiative could be really effective - because each national transport network could be used only by those operators having a rolling stock apparatus complying with the national market standards.

To remove these barriers, in 1996 the European Commission established the TEN-T program. Thanks to this program, the EU made available billions of euros to the governments of the Member States²⁹ to construct new infrastructures, contributing to the creation of one single interoperable trans-European rail network.

²⁸ Article 129b of the “Treaty of Maastricht on European Union” (1992): “[...] the Community shall contribute to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures.”

²⁹ More details on the evolution of the TEN-T budget are provided in Annex IV

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PART 2 – THE NPM PARADIGM IN ACTION

Introduction

Since the late-1970s NPM reforms have increasingly spread throughout the European public sectors. The logic underneath these reform efforts was based on the belief that the public sector works better when public administrative bodies are oriented toward outputs, rather than being focused on processes. A growing body of empirical literature have criticized the organizational practices introduced with these reforms because of: (1) their inappropriate likening of the public sector to the private one (DeLeon and Denhardt, 2000; Hefetz and Warner, 2004; McCabe and Vinzant, 1999; Rocha and De Araujo, 2007) and (2) the fact that NPM models have led to positive outcomes such as gains in effectiveness and efficiency but also to negative outcomes such as losses of equity, citizenship, and accountability (Boyne, 1998; Kettl, 1993; Morgan and England, 1988; Romzek, 2000).

A stream of the literature (Olvera and Avellaneda 2017) has focused on the Performance Management Systems (PMSs) which, riding the wave on NPM reforms, have spread in many countries, across various policy areas and at every level of government. However, Radin (2006) suggests that PMSs performance values conflict with the democratic values of a country because their evaluation criteria rely on simplistic, one-size-fits-all solutions that do not correspond to the dynamic reality of public organizations.

Olvera and Avellaneda (2017) explain that PMSs are expected to improve the performance of government actions. But – as the authors point out - this expectation is based on a rational perspective of organizational performance, according to which organizational effectiveness has to do with the achievement of organizational goals through design and management (Rainey, 2014). The key rationalist assumption underpinning these systems is that PMSs can help improve

performance by providing public managers with proper information about the level of goal achievement, so they can use this information to determine a strategy that would help accomplish their goals. Provided with this information, managers may opt for continuing, modifying, or terminating any organizational process or feature in order to improve performance. Strategy, goals, structure, resource allocation, and human resource reallocation are some of the organizational features that managers may target.

However, already in the 1970s, behavioral scholars (e.g. Mintzberg 1979) criticized rationalism as a basis for strategy-making as, in the real world, strategy is rarely the result of one-off planned decisions. It is rather the outcome of a process shaped by conflicting interests, politics and organizational culture. They thus defined strategy as a 'pattern in a stream of decisions' in contrast with the earlier view of 'strategy as planning' (Miller and Friesen 1982, Mintzberg and Waters 1985). Their seminal works shifted the research focus from the strategy content (formulation of planned goals and performance measurement) to the strategy process. In their language, a process is a sequence of events that lead to an outcome (Peterson 1998, Sminia 2009) and has to be studied in its organizational, societal and political context (Pettigrew 1985, 1987, Van de Ven et al. 1999).

In a similar vein, the most recent Strategy as Practice school has suggested that strategic decisions are not simply taken at the top of organizations and implemented down through hierarchies; rather, they are influenced by many intra- and extra-organizational members whose behaviors shape the process that gives rise to the strategy. From this perspective, March and Sutton (1997) have highlighted the heuristic dangers and limitations of studies which explain organizational performance in terms of unitary measures and by assuming causally related explanatory variables. Johnson et al. (2007) concur and argue that

it makes little sense to explain performance of organizations as wholes if we do not understand well the components of performance. They rather suggest looking at performance in conjunction with people behavior, the way they interact and enact institutional and organizational practices. They thus acknowledge that strategy is rarely the result of one-off planned decisions, but rather is the outcome of complex processes characterized by a plurality of levels of analysis, actors and dependent variables. Therefore, they suggest that it might be difficult to understand such an organizational complexity through singular theoretical lenses. We may need to employ multiple theoretical lenses. The lack of new research approaches integrating multiple theoretical traditions situates the study of strategy in a vacuum. From a theoretical standpoint, this proposal addresses this lacuna and explores the possibility of developing an interdisciplinary analytical framework enabling researchers to integrate multiple theoretical traditions to understand strategy.

There exist few examples of research initiatives (Allison 1971; Addicott and Ferlie 2007) utilising multiple theories to study decision-making and strategic change. In this regard, Pichault (2013) stresses the need for integrated multidimensional models allowing researchers to mobilise multiple theories and grasp the multifaceted nature of strategic change. He considers that the contextualist research tradition developed by Pettigrew (1987) is well-suited to this end: “Contextualism is not an explanatory approach strictly speaking: rather, it proposes a general analytical framework which different approaches may fit into. It places the emphasis on three key concepts and their interrelations: content, context and process” (Pichault 2013: 68).

Interpreting strategic change: the contextualist framework of analysis

As pointed out by Pettigrew and Whipp (1991), when researchers apply the contextualist framework to study strategic change, their analysis must distinguish

between three dimensions of change: content, process and context. The content refers to *what* is changed as expressed in terms of objectives, purpose and goals of change. The process refers to *how* change is implemented, whereas the context refers to the internal and external environment *where* change is implemented. Pettigrew and Whipp (1991) emphasize the continuous interplay between these dimensions and hold that change is an iterative and cumulative process. Therefore, in Part 2 of this PhD dissertation, we adopt three different theoretical lenses to interpret the different levels of content-context-process interactions (Figure P2I.1).

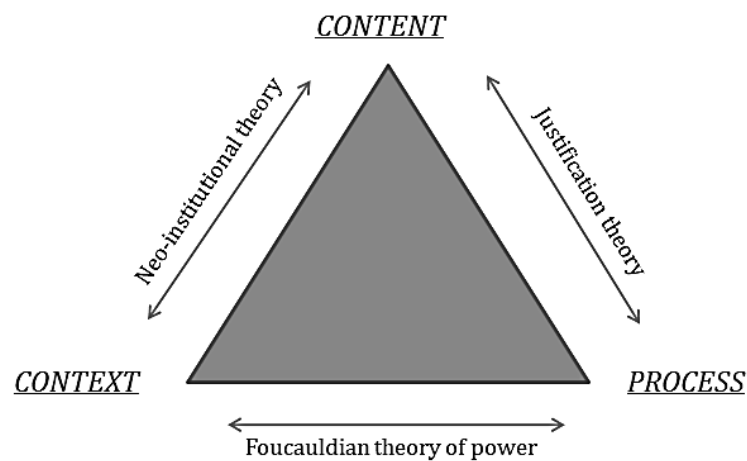


Figure P2I.1 – Theoretical design of Part 2 of the PhD dissertation

We use the lens of Foucault’s theory of power to study the context-process relationship. As suggested by Berdayes (2002), the Foucauldian theory provides useful insights into the nature of managerial power by shedding light on those inter- and intra-organisational ties which constrain individual and collective behaviour in organisations. For Michel Foucault power is never conceived as monolithic or autonomous, but rather is a matter of superficially stable structures emerging on the basis of constantly shifting relations underneath, caused by an

unending struggle between actors. He thus adopts an infinitely complex and open-ended notion of power and asks how power is exercised and what its effects are, not why. As explained by McKinlay and Pezet (2017), Foucault's intention is to redefine the object of study from the motives and politics of governing elites to their techniques of governing. A stream of this research tradition (Miller and Rose 1990, Lemke 2001) suggests looking at 'intellectual technologies' as key mechanisms mobilized by governors to shape the behavior of a population. Miller and Rose (1990: 6-7) argue that "all government depends on a particular mode of 'representation': the elaboration of a language for depicting the domain in question that claims both to grasp the nature of that reality represented, and literally to represent it in a form amenable to political deliberation, argument and scheming. [...] Before one can seek to manage a domain such as an economy it is first necessary to conceptualize a set of processes and relations as an economy which is amenable to management. [...] It is through language that governmental fields are composed, rendered thinkable and manageable". According to these authors, language itself is a technology. It is indeed an 'intellectual technology' providing a mechanism for rendering reality amenable to certain kind of actions. Specifically, it allows governors to translate events and phenomena to which government is to be applied into information such as written reports, drawings, pictures, charts, graphs, and statistics. Plans and programs of government also depend on these devices used for the inscription of reality in a form that governors can debate and diagnose.

We use the lens of neo-institutionalism (i.e. Di Maggio and Powell 1983, Powell and Di Maggio 1991) to study the context-content relationship. This theoretical framework focuses on why and how organizations behave in a certain way within a given context. Neo-institutionalism views organizations as institutions which operate in an open environment consisting of other institutions: this open environment is called the institutional field. Because of institutional peer pressure,

every institution is influenced by the broader environment of the field. The main goal of organizations is to survive in this environment and, to do so, not only they need to succeed economically, they also have to establish legitimacy within the world of institutions. Nevertheless, while the initial focus of neo-institutionalism was on how institutions guide action, over time researchers have more and more showed that action is able to manipulate institutional parameters (Holm 1995). Therefore, the stream of institutional work theorists (e.g. Lawrence and Suddaby 2006) has suggested shifting the focus of analysis on the work of actors as they attempt to create, maintain and disrupt the institutional environment. We thus suggest that mobilizing neo-institutionalist theories within the contextualist framework may help understanding how contextual roles shape change.

We use the lens of Boltanski and Thévenot's (1991) justification theory to investigate the process-content relationship. This theory provides a deep understanding of actors' practices within organizational processes. It offers insights into situated disputes and the different forms of conflict which are likely to emerge among actors: it provides a very fine theorisation of the agreements, critiques and crises in which these actors may be involved. This lens is particularly important to understand the dynamics of disputes and agreements between collective entities with competing moral evaluations of the ongoing change project. On the one hand, this theory focuses on actors' discursive justifications about their practices and, therefore, allows understanding the multiple moral stances which compete in a controversy. On the other, it provides a taxonomy of practices that actors may deploy to solve a controversy. Actors may either make agreements with actors espousing competing moral stances (tests and compromises) or just drop the dispute without making any agreement (domination, forgiveness and forgetting).

The TEN-T program

We choose as empirical context the TEN-T program. We explain this choice by two main arguments. Firstly, TEN-T is strictly intertwined with the EU-driven implementation of NPM reforms to national rail industries in Europe. Secondly, when looking at the organizational design of TEN-T, we find several elements that are typical of the NPM paradigm (Table P2I.1).

NPM PARADIGM (Hood 1991, 1995)	TEN-T PROGRAM
Explicit standards and measures of performance and ‘hard look’ at objectives	<p><i>Strategic Action Plan (SAP)</i> - the SAP is a project management document which identifies the objectives (in the sense of activities to be carried out by TEN-T funding beneficiaries) and the associated resources, timeline and dependencies. It is used to:</p> <ol style="list-style-type: none"> 1. Monitor performance, in the sense of project progress against the plan 2. Provide decision-makers with all relevant information concerning deviation from plan, and their impact <p><i>Mid-Term Review</i> - it is a mid-term assessment of the performance of the TEN-T program. It aims to:</p> <ol style="list-style-type: none"> 1. Evaluate the methods of carrying out projects as well as the impact of their implementation taking into account the stated objectives of the TEN-T Programme. 3. Formulate overall conclusions and recommendations on the implementation of the TEN-T Programme with a view of providing input to the revision of the TEN-T Programme and policy, both under the responsibility of DG MOVE.

Output controls and orientation towards results	<i>Annual Status Report (ASR)</i> - the ASR is an annual report submitted by the organization implementing a TEN-T-funded project to the INEA, an executive agency of the European Commission. It provides information on the technical progress of the project against the initial plan, and the associated budget consumption. It is the main document used by the INEA to assess progress. For multi-annual projects, the ASR serves as the basis for deciding whether funding for the next phase of work should be allocated.
Discretionary control of organizations from professional top management	<i>European Coordinators</i> - the European Commission nominated nine European Coordinators, each of them responsible for the implementation of one of the nine transport axes (so called 'corridors') composing the core of the trans-European transport network. European Coordinators are chosen based on their knowledge of issues related to transport and financing, as well as on their experience of European institutions. As a general rule, they are not nationals of Member States whose territory is directly affected by a project. They act in the name of the European Commission and on its behalf. Their role is to supervise and ensure the timely implementation of the projects for which they are responsible. Their key tasks are: <ol style="list-style-type: none"> 1. Drawing up the relevant corridor work plan 2. Supporting and monitoring implementation of the work plan.
More stress on discipline in resource use	<i>Use it or lose it principle</i> - where projects are no longer meeting their planned objectives then EU funding must be cut and re-allocated so the European Commission makes best use of the limited resources. This rule is called "use it or lose it principle". Either TEN-T beneficiaries use the money as planned in agreement with the European Commission or they lose the money.

Table P2I.1 – The NPM dimensions of TEN-T

Transport services are very important as they provide for the movement of over 700 million people and associated freight (United Nations 2009). Politically,

Europe is divided into about fifty sovereign states. This politico-geographical fragmentation - along with the increasing movement of people and freight due to the deepening process of economic integration - has led to a strong cooperation between European countries in developing and maintaining transport networks. Since the 1950s, the EU has put much effort to develop international standards and agreements that allow people and freight to cross the borders of Europe. The creation of the Schengen Area has enabled border control-free travel between 26 European countries. Freight transportation has favored a high level of intermodal compatibility, whereas the European Economic Area has allowed for the free movement of goods across 30 states.

In the early-1990s the EU decided to set up the TEN-T policy, an infrastructure policy at supranational level with the overall aim of improving the functioning of the internal market through continuous and efficient transnational networks in transport flows. TEN-T goal was to interconnect national infrastructure networks and ensure their interoperability by setting standards which could remove transnational technical barriers, such as incompatible standards for railway traffic. It was designed to promote and strengthen seamless transport chains for passenger and freight, while keeping up with the latest technological trends such as High-Speed Railway (HSR) technology in the rail sector.

The urgent need for a trans-European transport infrastructure policy was clear since the mid-1980s when the EU initiated the liberalization of transport services at the European level. In the following years, the European Commission undertook an intensive regulatory effort (Directive 91/440 and four railway packages in 2001, 2004, 2007 and 2016) aimed at reforming the national transport systems with the purpose of opening existing state-owned monopolies to international competition. As already mentioned, a core aspect of this reform process was the promotion of interoperability across national transport networks.

Within this reform context, in 1996 the EU established the TEN-T program, an EU-level investment program providing financial resources and legal rules to realize a list of infrastructure projects representing the backbone of the future trans-European transport network.

Through time, the accomplishment of TEN-T- programmed infrastructure projects has proved to be very difficult and, thus, has fallen behind the initial development plans. Major problems were about the technical difficulties related to the construction works of such large infrastructure projects, lack of political support by various national authorities and oppositions by local communities within the Member States. Due to these problems, the EU authorities have been delaying the official deadline for the completion of programmed projects several times. The 1996 initial deadline was 2010. Then, in 2001 it was delayed to 2020. In 2014 it was further delayed to 2030.

To solve these problems, the EU authorities have introduced a number of managerial innovations. EU-level criteria for the selection of projects to be funded by the TEN-T budget have become stricter. Project submitted for EU funding are required to be not only relevant to the achievement of TEN-T policy objectives but also mature. This means that candidate projects should have received formal approval at all levels within the Member States: i.e., enjoy political commitment, have completed all necessary public consultations, is ready to start from a technical point of view, has received all building permits, can show that its various procurement procedures are well advanced, has all necessary financial resources committed and has identified all possible risks. Additionally, in the mid-2000s, several EU-level managers (so called “European Coordinators”) were introduced to facilitate the coordination among industry and concerned public authorities within the Member States in order to the timely accomplishment of funded projects at national levels. In a similar vein, tools to

monitor and assess the performance of these projects have been strengthened through time by the European Commission to better steer the effective achievement of planned objectives.

At the local level, these managerial innovations have been accompanied by the increasing opposition of local communities in several Members States concerned by the implementation of TEN-T-funded projects: Italy and France (Lyon-Turin project), Germany (Stuttgart project), Spain (Basque Y project), UK (HS2 project). In 2010, these local oppositions have joined efforts by creating a trans-national movement called “Forum Against Unnecessary and Imposed Mega Projects”. From their viewpoints, opposition groups consider these projects (1) unnecessary, because they do not respond to the real needs of populations but divert public money to investment initiatives that mainly benefits market and corporate interests while destabilizing national welfare systems and harming the environment and society; and, (2) imposed, because populations are excluded from the decision making process with governments and public administrations operating in obscurity and treating proposals by citizens with contempt.

The Lyon-Turin (LT) project is certainly the most emblematic of existing opposition movements. For more than 20 years, the local communities of the Susa Valley (near Turin), backed by the local authorities, have blocked the project implementation with “a protest of epic tenacity and occasional violence” (Hooper, 2012). Since 2012, protests have developed also in France (departments of Rhône, Isère and Savoie). The core argument of Italian and French oppositions was that the project is useless - because many studies other than those produced by the project promoters showed that traffic flows are decreasing between Italy and France – and undemocratic - because it has been imposed from the top by the European Commission and the national governments without any adequate involvement of local communities.

Presentation of the Lyon-Turin project

LT is a TEN-T-planned 270 km-long HSR line that will connect Lyon (in east-central France) and Turin (in northern Italy). It will substitute the exiting line which, on the contrary, is not designed for the circulation of HSR trains. The core of the project is a 57 kilometres base tunnel crossing the Alps between Susa valley in Italy and Maurienne in France. Thanks to the base tunnel, the planned line will dramatically reduce the gradient line of railway connections between Lyon and Turin from the 1200m height of the historical to 400m. Thanks to this reduction of the gradient line transport operations will improve and power costs will decrease. Additionally, the adoption of a HSR technology will allow trains to move at 220 km/h. In so doing, the quality of transport services between Italy and France will improve as people and goods will move faster and more efficiently.

From a project management point of view, the line has been divided into three sections, implemented under distinct, albeit interconnected, managements: (1) the French section between the Lyon outskirts and Saint-Jean-de-Maurienne, managed by *Réseau Ferré de France* (RFF), the owner and manager of France's railway network that in 2015 was placed under the control of *Société Nationale des Chemins de Fer Français* (SNCF) with the name SNCF-Réseau; (2) the Italian section between Bussoleno (in the Susa Valley) and the Turin, managed by *Rete Ferroviaria Italiana* (RFI), a subsidiary of *Ferrovie dello Stato* (FS); (3) the Franco-Italian cross-border section between Saint-Jean-de-Maurienne in Savoie and Bussoleno, managed by *Lyon Turin Ferroviaire* (LTF) - a joint venture of RFF and RFI -, then replaced in 2015 by *Tunnel Euralpin Lyon Turin* (TELT) - a joint venture of SNCF and RFI³⁰.

Civil engineering works started in early-2000s with the construction of access points and geological reconnaissance tunneling, whereas the actual construction

³⁰ Annex 1 provides the full list of acronyms used in this dissertation

of the base tunnel was initially planned to start between 2014 and 2015. Nevertheless, throughout the mid-2000s and early-2010s, local oppositions intensified in both countries and imposed delays on the project management agenda. These were particularly strong in Italy where local opposition groups occupied the construction site of the geological reconnaissance tunnel as a form of protest. Because of increasing delays, the European Commission put pressure on the Italian and French governments by informing them to reduce TEN-T's financial support to LT, if the timely implementation of the project could not be assured. Local oppositions did not stop and delays increased. On occasion of the 2010 performance assessment of TEN-T-funded projects, the European Commission decided to cut approximately €9.2 million to LT and imposed a number of conditions to the project promoters, among which to start the excavation works of the reconnaissance tunnel in Italy by 2011.

Local oppositions did not stop in both countries. On the Italian side opponents occupied again the construction site of the reconnaissance tunnel. As a response, in 2012 the Italian government approved Law 183 which, among others, declared LT a project of strategic priority to be realized in the name of national interest. This law created the juridical conditions for the Italian government to militarily occupy the construction site of the reconnaissance tunnel and prevent any future protest which could delay further the accomplishment of the planned agenda. At the same time, in both countries LTF – the constructor company in charge of the construction of the geological reconnaissance tunnels - pressed charges against local activists to discourage any future opposition.

In 2015 the national governments signed an international agreement proving their intention to go ahead with the project despite existing oppositions. The same year they submitted a new request of funds to the EU. According to most recent

information (Agence France Presse, 2017), the construction of the base tunnel is planned to start in 2018.

The following tables (P2I.2a, P2I.2b and P2I.2c) and figures (P2I.2a, P2I.2b and P2I.2c) summarize the story of LT across contexts and time. More specifically, these provide a periodization of the project implementation process taking into account, at the same time, the French, Italian and EU contexts.

Table and figure P2I.2a provide a synoptic story of LT in the 1990s (Period 1), whereas tables and figures P2I.2b and P2I.2c provide a synoptic story of LT respectively in the 2000s (Period 2) and 2010s (Period 3).

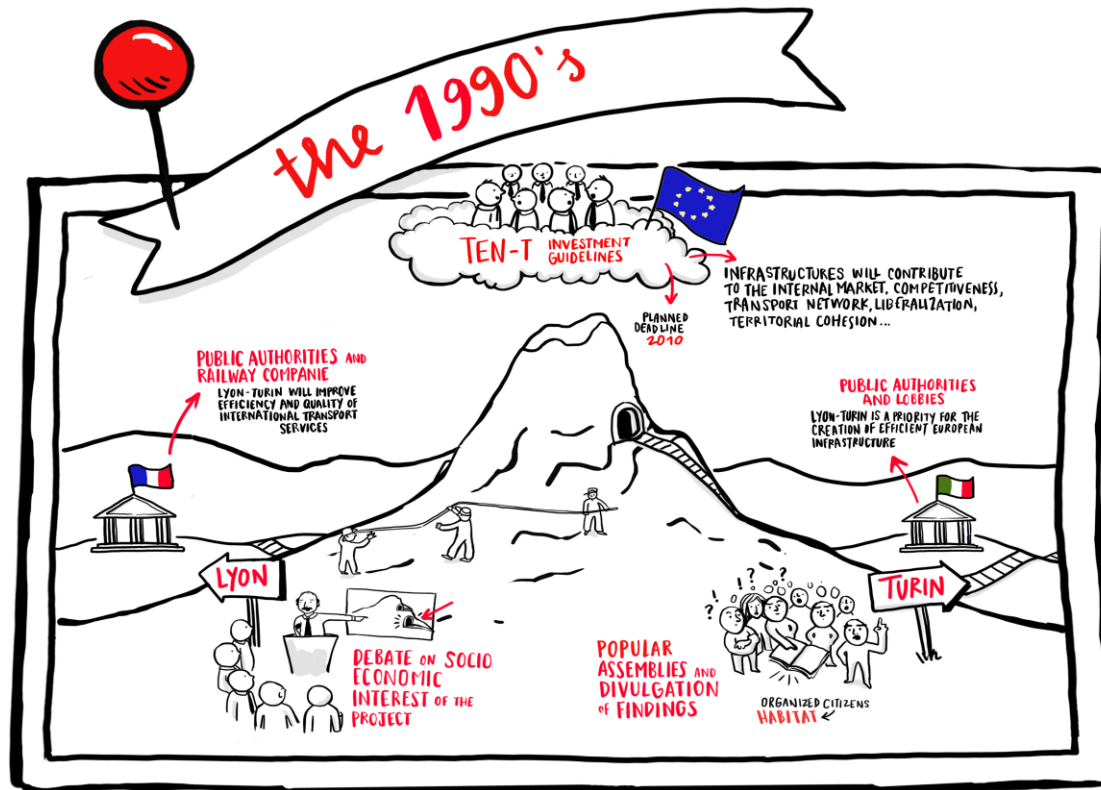
The three figures below are based on the fieldwork notes and sketches made by the author during his fieldwork period. With the support of a graphic facilitator³¹, the sketches were processed until reaching the form they have now in the text.

³¹ These figures, as they now appear in the text, were realized with the support of Carlotta Grimaldi, an independent graphic facilitator.

	France	Italy	European Union
1990s (Period 1)	<p>In the late-1980s, SNCFS's planning department launches some studies on LT. In the early-1990s SNCF includes LT in the national masterplan of HSR lines. Throughout the 1990s, regional and local authorities promote new studies and public meetings with the civil society concerned by the project. During these meetings the project promoters discuss the socio-economic interest of LT with the local communities.</p>	<p>In the late-1980s FS does not consider LT a strategic priority. Nevertheless, in the early-1990s the lobbying of Tecnocity leads central and regional authorities to support the project. After restructuring the top-management of FS, the government commits to the construction of a national plan of HSR lines. LT is included in this plan but the local civil society concerned by the project protests. Local communities contest the socio-economic interest of LT and claim more participation in decision-making.</p>	<p>In the early-1990, the approval of the Maastricht Treaty leads the European Commission to introduce the TEN-T policy. It provides financial incentives to stimulate Member States' investments in the construction of the trans-European transport network. This is a supra-national plan of strategic infrastructure projects to be accomplished by 2010. LT is in the list of planned projects.</p>

Table P2I.2a – Period 1 of LT implementation in France, Italy and EU

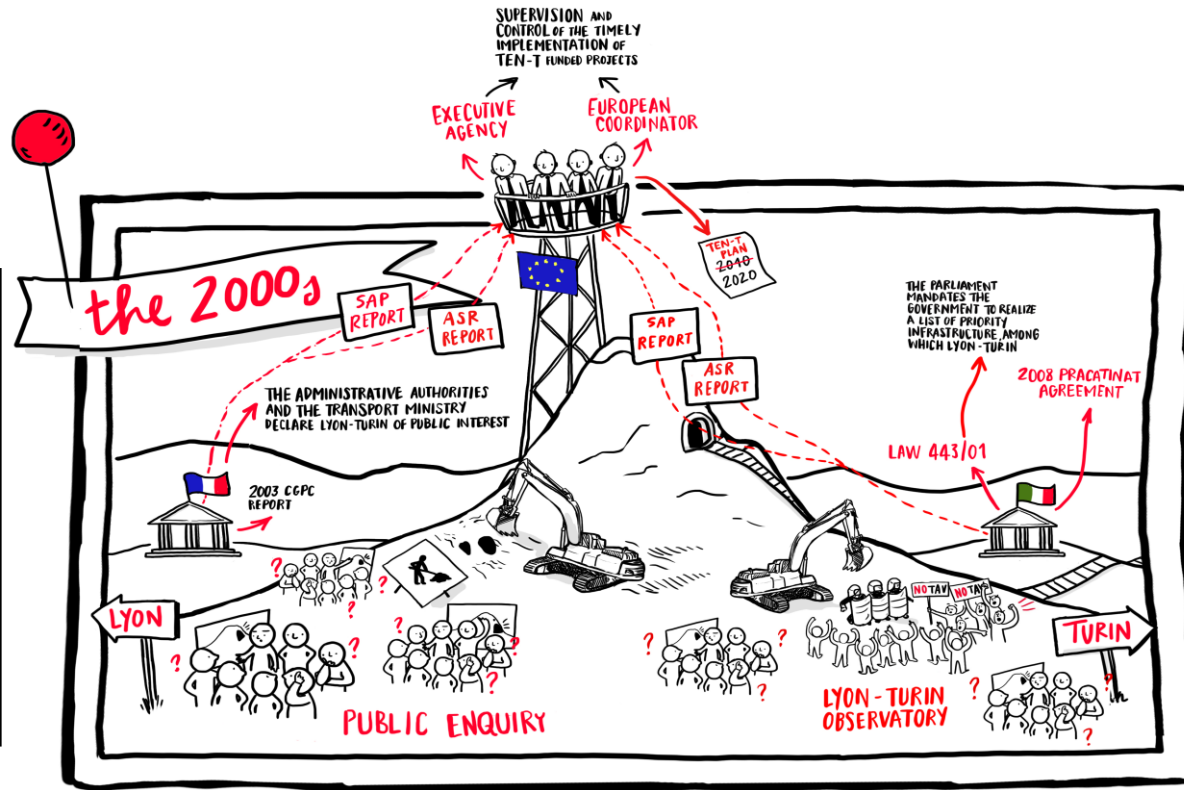
Figure P2I.2a - Period 1: graphical display



	France	Italy	European Union
2000s (Period 2)	<p>The government and SNCF timely accomplish planned preliminary works, while the local communities are regularly consulted in the framework of the public inquiry procedure. Even though, in 2003 an independent administrative (CGPC) body releases a report that casts doubt on the socio-economic interest, project promoters do not stop implementing LT.</p>	<p>The government approves Law 443/01. Thanks to this law, all the decision-making power of LT is concentrated in the hands of a governmental body (CIPE), with little involvement of local communities. Protests explode in the Susa Valley and delay the accomplishment of preliminary works. The turmoil of these events leads the government to appoint an extra-ordinary commissioner in charge of organizing public consultations between project promoters and local communities to discuss the socio-economic interest of LT. The consultations take long and planned preliminary works cannot start.</p>	<p>TEN-T authorities put pressure on national authorities to take up the implementation again in accordance with the planned agenda otherwise financial support to the project might be reduced and earmarked to support better-performing projects. Subsequently, the Italian extra-ordinary commissioner unilaterally adopts the “Pracatinat Agreement”. This document imposes that public consultations shift their focus from debating the socio-economic interest of LT to its implementation.</p>

Table P2I.2b – Period 2 of LT implementation in France, Italy and EU

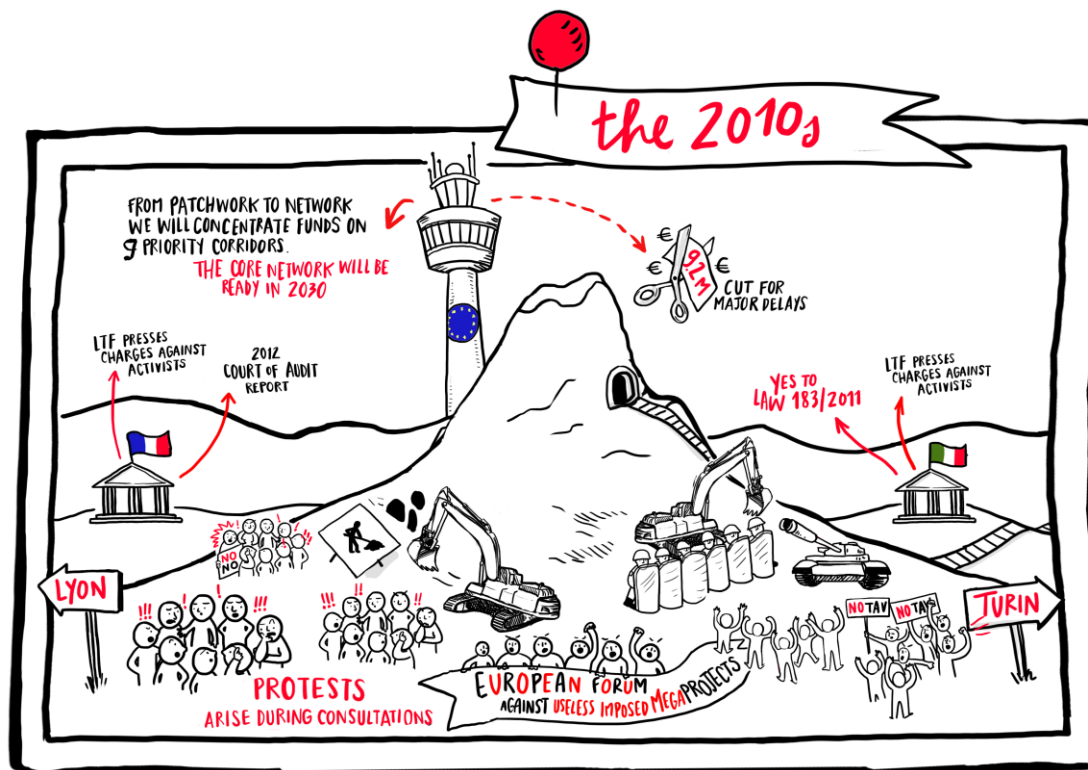
Figure P2I.2b - Period 2: graphical display



	France	Italy	European Union
2010s (Period 3)	<p>In 2012 a second independent administrative body (CdC) releases a report casting doubts on LT socio-economic interest. Following the emergence of a new leader, local communities protest against LT. They claim that the data used for the socio-economic studies were inaccurate whereas the past consultations were not transparent enough. Nevertheless, the government considers these requests incompatible with the implementation status of LT and confirms the construction of the base tunnel. Protests increase and, in 2014, LTF files a claim for defamation against the leader of local opposition groups.</p>	<p>Local protests increase and threaten again the timely completion of the preliminary works. Subsequently, the government approves Law 183/2011 creating the legal conditions to mobilize permanently the army in the Susa Valley. Therefore, the construction site of LT is militarily occupied and LTF can start the works. However protests do not stop and LTF files claims for sabotage against those who oppose LT.</p>	<p>The European Commission conducts the mid-term review to assess the performance of TEN-T projects. Because of delays on the Italian side of the project, LT performance is considered under-effective. Subsequently, the Commission partially reduces its financial support to LT and extends the remaining part of the funds under specific implementing conditions. At the same time, it establishes the corridor forum, a transnational governance body allowing the EU to better coordinate with national project promoters and steer more effectively the performance of TEN-T projects.</p>

Table P2I.2c – Period 3 of LT implementation in France, Italy and EU

Figure P2L.2c - Period 3: graphical display



Data collection and methods

Data for this part of the research are based on an extensive qualitative database (Yin 2014) of semi-structured interviews and documents - press releases, agreements, policy papers, third-parties studies and reports - covering a period from 1985 to 2016. They have been collected during a fieldwork which lasted 3 years, from 2014 to 2016.

Since LT is a transnational investment project articulating across different jurisdictions (France, Italy and EU) and organizational entities (e.g. governments, public administrative bodies, industry, lobbies, civil society) data collection was designed on the basis of an embedded case study methodology allowing dealing with phenomena characterized by more than one sub-unit of analysis (Yin 2014). Following this methodological framework, 79 semi-structured interviews³² were conducted between 2014 and 2016 with actors playing a role in the governance of the LT project. Interviews were guided by a conceptual grid of information collection using a three-layer approach where individual functions, organizations' roles and the overall system of project governance were separately, albeit interdependently, examined. Semi-structured interviews averaged 90 minutes and included 4 typologies of actors: 1) project promoters, 2) public institutional actors, 3) lobbyists, 4) local communities. For the sake of clarity, the group of project promoters includes actors from both the national public administrations and the railway companies implementing LT. The group public institutional actors include actors from both the political (MPs, MEPs and non-elected parties) and administrative (administrative staff of parliamentary assemblies and public officers of administrations concerned by the project but not implementing it directly) members of organizations playing a role in the story of LT. The group of lobbyists refers to those actors who attempt to influence LT- and TEN-T-related

³² ANNEX 6 provides the interview guidelines used during the fieldwork.

actions, policies, or decisions of officials in their daily life. The local communities refers to organized groups of citizens from the Susa Valley (Italy) and the French areas concerned by LT (suburbs of Lyon, the Lower Dauphiné region, the Avant-Pays Savoyard and the Maurienne region).

Typology of actors	Jurisdiction	N° Interviews	
Project Promoters	EU	5	18
	IT	5	
	FR	8	
Public institutional actors	EU	11	19
	IT	6	
	FR	2	
Lobbyists	EU	5	7
	IT	1	
	FR	1	
Local communities	IT	23	35
	FR	12	
79			

Table P2I.3 – Interviewees by group of actors and jurisdiction ³³

These typologies were not decided *ex-ante*, rather they matured on the field during the interview process. Indeed, the set of interviewees was progressively constituted through snowball sampling. Following this sample strategy, we asked participants who had already been selected for the study to recruit other participants. We thus started interviewing EU's public officials in charge of the LT project and, then, trickled down across French and Italian jurisdictions up to local communities opposing it. At the end of this process, our sample included: 18

³³ Further details concerning our sample are provided in ANNEX 1.

project promoters, 19 public institutional actors, 7 lobbyists, 35 members from the Italian and French local communities opposing LT. Because of the transnational nature of the observed phenomenon, interviewees issued from different jurisdictional contexts: France, Italy and EU (Table P2I.3).

During the fieldwork, the author and his PhD committee have met several times. On occasion of these meetings they have debated the content of the interviews and fieldwork notes until sharing a common understanding of most important aspects. Based on these debates, the author prepared a data analysis table based on Pettigrew's (1985, 1990) contextualism suggesting that, when studying organizational change, context process and content should be separately, albeit interdependently, considered in the analysis. Based on this table, a chronicle of the key events was developed by: (1) using the interviews; (2) chronologically ordering the descriptions of the process LT implementation in the Italian and French context; and (3) juxtaposing accounts from different sources to ascertain convergence. Based on the chronicle, we could capture "who did what, and when" (Maguire and Hardy 2009: 153) and we could therefore prepare a narrative making sense of the history of LT.

As far as documentary data are concerned, a systematic analysis of their content was conducted by using the NVivo software. The coding process was based on a set of theoretical categories issued from the theoretical lenses presented above (further methodological details are provided in the dedicated methodology sections of essays 5 and 6 in Part 2 of this PhD dissertation).

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5. Managing Performance in Trans-European Railway Projects (Essay 4)

Abstract

Riding the wave of NPM reforms, since the 1970s Performance Management Systems (PMSs) have spread in many countries, across various policy areas and at every level of government. The rationale behind these tools lies in the belief that the public sector works better if public administrative bodies are oriented toward results, rather than being focused on processes. Some studies have showed that PMSs' functioning conflict with important-but-unmeasured democratic values. In a similar vein, academic scholars have noticed that their implementation may result into disciplinary regimes producing organizational forces that structure and guide managers' decisions to allocate penalties across the organization field. This article addresses the functioning of PMSs in the complex settings of trans-European megaprojects funded under the EU's TEN-T investment program. It draws on the Foucauldian theory of power to explain how PMSs enable EU-level officers to govern complex trans-national organizational processes – involving many different stakeholders such as governments, local communities, independent administrative bodies, lobbies and industry - by representing them in a form amenable to managerial and political decision.

Keywords: megaproject, Performance Management Systems (PMSs), TEN-T infrastructures, Foucault, governmentality, intellectual technologies

This essay was presented at the : (a) ‘4th Annual International Conference Law & Boundaries’ held on 17-18 June 2015 at Science Po Paris (France); and, (b) ‘4th Meeting on Critical Management Studies’ held on 1-2 April 2015 at Louvain School of Management (Belgium).

5.1 Introduction

Transport services in Europe provides for the movement of over 700 million people and associated freight (United Nations 2009). Politically, Europe is divided into about fifty sovereign states. This politico-geographical fragmentation - along with the increasing movement of people and freight due to the deepening process of economic integration - has led to a strong cooperation between European countries in developing and maintaining transport networks. Since the 1950s, the European Union (EU) has put much effort to develop international standards and agreements that allow people and freight to cross the borders of Europe. The creation of the Schengen Area has enabled border control-free travel between 26 European countries. Freight transportation has favored a high level of intermodal compatibility, whereas the European Economic Area has allowed for the free movement of goods across 30 states.

Within this context, in the early-1990s the EU decided to set up the Trans-European Transport Network (TEN-T) policy, an infrastructure policy at supranational level with the overall aim of improving the functioning of the internal market through continuous and efficient transnational networks in transport flows. TEN-T goal was to interconnect national infrastructure networks and ensure their interoperability by setting standards which could remove transnational technical barriers, such as incompatible standards for railway traffic. It was designed to promote and strengthen seamless transport chains for passenger and freight, while keeping up with the latest technological trends such as High-Speed Railway (HSR) technology in the rail sector.

The urgent need for a trans-European transport infrastructure policy was clear since the mid-1980s when the EU initiated the liberalization of transport services at the European level. In the following years, the European Commission undertook an intensive regulatory effort (Directive 91/440 and four railway

packages in 2001, 2004, 2007 and 2016) aimed at reforming the national transport systems with the purpose of opening existing state-owned monopolies to international competition. A core aspect of this reform process has been the promotion of interoperability across national transport networks.

Interoperability is crucial because Europe has many national transport systems that have evolved each in their own way over the past years. Their technical standards are different, and this is clearly an obstacle to cross-border traffic. Therefore, this is also an obstacle to cross-border competition. For example, with international trains it is usually the case that the engine has to be changed at the frontier station. In especially difficult cases passengers must change trains or goods must be reloaded. There is also a need to harmonize infrastructure because of, for example, differences in platform heights or command and signaling systems. In the railway sector different gauge widths, electrification standards and safety and signaling systems made it more difficult and more costly to run a train from one country to another. In this situation, the European transport market was fragmented - and no liberalization initiative could be really effective - because each national transport network could be used only by those operators having a rolling stock apparatus complying with the national market standards.

For all the reasons mentioned above, in 1996 the EU established the TEN-T program, an EU-level investment program providing financial resources and legal rules to realize a list of infrastructure projects representing the backbone of the future trans-European transport network. In terms of performance, a number of major problems (e.g. planning, construction and financing of listed projects) emerged since the first phase of implementing TEN-T starting in 1996. “The completion of the originally defined TEN-T fell behind the optimistic development plans” (Schade et. al., 2013: 19) and, as a consequence, the deadline for the accomplishment of planned projects was delayed several times. In 1996

the deadline was 2010. Then, in 2001 it was delayed to 2020. In 2014 it was further delayed to 2030.

At the European level, a number of managerial innovations have come in succession through time to improve the program performance. For example, EU-level criteria for the selection of projects to be funded by the TEN-T budget have become stricter. An EU-level manager (so called European Coordinator) was introduced to supervise and facilitate the accomplishment of funded projects at the national level. Tools to monitor and assess the performance of funded projects were adopted by the European Commission to assure the timely achievement of planned objectives.

Across time, these managerial innovations have been accompanied by the increasing opposition of local stakeholders in several Members States concerned by the implementation of projects funded by TEN-T: Italy and France (Lyon-Turin project), Germany (Stuttgart project), Spain (Basque Y project), UK (HS2 project). Recent studies on TEN-T (Schade et. al., 2013, 2014) notice that, not only the accomplishment of planned objectives, but also the participation of local stakeholders to project decision-making should be duly considered in the management of the program.

TEN-T projects are a great example of megaprojects – e.g. see DTOIG's (2001) definition of megaprojects. This is a particularly complex typology of construction projects, usually characterized by conflict, uncertainty and poor cooperation between stakeholders involved (Marrewijk et al. 2008). For them to succeed they need appropriate management structures through which the objectives of the project are set, the means of attaining those objectives are determined, and the means of monitoring performance are determined (Turner 2006). However, monitoring of an agent's adherence to top-management's

objectives is critical as it requires high bandwidth and engagement from all stakeholders involved (Ruuska et al. 2009).

This article addresses the issue of performance management in the complex, pluralist and multi-level settings of trans-European megaprojects funded under the TEN-T investment program. It focuses on the effects of supra-national systems of performance management on stakeholder participation.

The paper is structured as follows. First, we critically review the relevant literature of performance management systems. Then, after a brief methodological section, we present the Lyon-Turin case and discuss the relation between the supra-national instruments to manage performance and the participation of stakeholders as observed in this case.

5.2 Theoretical framework

Riding the wave of New Public Management (NPM) reforms, since the 1970s performance management systems (PMSs) have spread in many countries, across various policy areas and at every level of government (Olvera and Avellaneda 2017). The rationale behind these tools lies in the belief that the public sector works better if public administrative bodies are oriented toward results, rather than being focused on processes. It thus recommends the public sector to take on private sector management as an organizing principle.

Kettl (2015) defines public administration as the administration of governmental affairs. In this sense, PMSs are expected to improve the performance of government actions. Olvera and Avellaneda (2017) suggest that this expectation is based on a rational perspective of organizational performance, according to which organizational effectiveness has to do with the achievement of organizational goals through design, management, and other organizational features (Rainey, 2014). They say that the way PMSs can help improve performance is by

providing public managers with proper information about the level of goal achievement, so they can use this information to determine a strategy that would help accomplish their goals. Provided with this information, managers may opt for continuing, modifying, or terminating any organizational process or feature in order to improve performance. Strategy, goals, structure, resource allocation, and human resource reallocation are some of the organizational features that managers may target.

PMSs have been widely debated in the academic literature. Moynihan (2008: 5) defines them as “a system that generates performance information through strategic planning and performance measurement routines and that connects this information to decision venues, where, ideally, the information influences a range of possible decisions”. Smith and Goddard (2002: 247) present them as “an integrated set of planning and review procedures that cascade down through the organization a link between each individual and the overall strategy of the organization”. For Agere and Jorm (2000: 1), PMSs refer to the “use of performance measurement in shaping the performance of organizations and people”. According to Olvera and Avellaneda (2017), existing academic definitions of PMS include three essential components: 1) strategic planning; 2) performance measurement (data collection and analysis); and 3) performance management (data utilization for decision-making).

From a critical perspective, Radin (2006) suggests that PMSs embed performance values which may conflict with democratic values. This is because their evaluation criteria rely too often on simplistic, one-size-fits-all solutions that do not correspond to the dynamic reality of organizations. According to other authors (Kroll 2015, Kalgin 2016), even if PMSs can be used in a “purposeful” way – e.g. metrics are really utilized to improve organizational performance (Moynihan 2009) –, there are cases where managers and politicians make a “perverse” use of

performance information like gaming, cheating, and advocating. In sum, public managers can use performance metrics for different purposes and in different forms (Hood, 2008).

Another line of research (Hvidman and Andersen 2014, Faull 2016) has focused on the unintended consequences of PMSs by showing their negative effects on trust and equity. PMSs have been blamed for producing unplanned effects like tunnel vision and myopia (Mannion and Braithwaite 2012; Smith 1995). In their study on the Florida Welfare Transition program, Soss et al. (2011) provide a detailed analysis of the unintended consequences of the control mechanisms used by the management to measure and improve performance. They show how the “tunnel vision” created by performance numbers can lead local actors to innovate in perverse ways that subvert important programmatic goals and divert attention from important-but-unmeasured values and activities. Their focus is on the disciplinary regimes resulting from the implementation of PMSs which produce organizational forces that structure and guide managers’ decisions to allocate penalties across the organizational field. A central theme of their analysis is the Foucault’s (1975) idea that PMSs exert a disciplinary power that shapes organizational behavior in deep ways.

How do PMSs exert disciplinary power?

For Michel Foucault power is never conceived as monolithic or autonomous, but rather is a matter of superficially stable structures emerging on the basis of constantly shifting relations underneath, caused by an unending struggle between actors. He thus adopts an infinitely complex and open-ended notion of power and asks how power is exercised and what its effects are, not why. As explained by McKinlay and Pezet (2017), Foucault’s intention is to redefine the object of study from the motives and politics of governing elites to their techniques of governing. His intellectual project reflects his personal experience of grassroots politics

challenging not just, say, the condition of prisoners but also the practices that define them as deviant. To go further in his theorization of power, Foucault (2004a, 2004b) coins the term ‘governmentality’ (in French *gouvernementalité*), establishing a semantic link between the act of governing (in French *gouverner*: tr. ‘to govern’) and the modes of thinking (in French *mentalité*: tr. ‘mentality’) (Lemke 2001). In doing so, he indicates the existence of a link between the technologies of government – intended as collections of techniques, skills, methods, and processes used by those who govern – and their rationales – intended as the fundamental reason or reasons serving to account for the act of governing.

Foucault’s governmentalist research pays attention to the practices that constitute power and, more specifically, to the way in which the state exercise control over – or governs – the body – and so the behavior – of its populace. It aims to understand how power shapes behavior in society, including the role of institutions to control groups of people. A stream of this research tradition (Miller and Rose 1990, Lemke 2001) suggests looking at ‘intellectual technologies’ as key mechanisms mobilized by governors to shape the behavior of a population. Miller and Rose (1990: 6-7) argue that “all government depends on a particular mode of ‘representation’: the elaboration of a language for depicting the domain in question that claims both to grasp the nature of that reality represented, and literally to represent it in a form amenable to political deliberation, argument and scheming. [...] Before one can seek to manage a domain such as an economy it is first necessary to conceptualize a set of processes and relations as an economy which is amenable to management. [...] It is through language that governmental fields are composed, rendered thinkable and manageable”. According to these authors, language itself is a technology. It is indeed an ‘intellectual technology’ providing a mechanism for rendering reality amenable to certain kind of actions. Specifically, it allows governors to translate events and phenomena to which

government is to be applied into information such as written reports, drawings, pictures, charts, graphs, and statistics. Plans and programs of government also depend on these devices used for the inscription of reality in a form that governors can debate and diagnose.

PMSs are a great example of intellectual technology, which resorts to the language of performance (e.g. 'effective/ineffective project', 'efficient use of resources', 'mid-term reviews') to shape the collective behavior of organizations.

How do PMSs' intellectual technologies shape the collective behavior of organizations?

Berdayes (2002: 43) provides insights in how the pliant human body can be constrained by systems managing the performance of work in organizations: "designed for each task under study, these grid-shaped 'shop observation sheets' specified each element of a work process and allowed laborers' performance to be measured and compared to ideal standards. Shop observation sheets and stopwatches were used conjointly to specify the time and sequence of operations and to record actual worker performance". Drawing on the Foucault's (1975) idea of *Panopticon*, he depicts scientific management systems as forms of disciplinary power employing three tacit principles - representing the most fundamental aspects of the Foucauldian panoptic schema - : hierarchical observation, examination, and normalizing judgment. As explained by Berdayes (2002), hierarchical observation allows placing actors under the supervision of nested tiers of managerial personnel and establishing clear lines of command across the organizational hierarchy. On the other hand, examination is the basis for constructing organizational charts revealing flaws in the organic structure of an organization: "these charts allow management to inspect and overhaul the firm's administrative machinery and maintain 'unity of command' over the entire firm" (Berdayes, 2002: 42). Finally, the normalizing judgment aims at sanctioning

departures from correct behavior by differentiating actors by means of a rule that is the minimum of behavior: normalization makes actors homogeneous, after differences between them have been measured.

5.3 Case study

In 1992, the then 12 member states signed the Treaty of Maastricht and decided to set up the TEN-T policy. In 1994, the European Council met in Essen and identified 14 projects (“Essen projects”) representing the backbone of the trans-European transport network. In 1996, because of the endorsement received by the Council, these 14 projects were included in the first edition of the EU’s investment guidelines developed by the European Commission to allocate the budget of the TEN-T program. According to this text, the 14 planned projects should have been completed by 2010. In the early-2000s, the EU’s geopolitical context changed as several Eastern European countries joined the EU. As a consequence, 16 new infrastructures were listed in the guidelines as projects to be funded as part of the TEN-T program.

During the 2000s, it became clear that the number of planned projects realized throughout the Member States fell behind the 1996 optimistic development plans. Delays in the completion of projects were mainly due to the fact that Member States’ governments used the TEN-T budget to refund national expenditure already settled, instead of generating additional investments in trans-national infrastructures. As a consequence, in 2004 the EU amended the 1996 investment guidelines and introduced the role of the European Coordinator, an EU-level manager acting in the name of the European Commission to assure the timely completion of planned projects. His/her role was to supervise the Member States in the development of projects to be funded by TEN-T.

In 2010, Decision 661/2010/EU came into force and amended the 2004 guidelines. As delays in the completion of planned projects were evident, the new text extended the deadline for the accomplishment of the network from 2010 to 2020. It also created an executive agency to support the European Commission in the administration of the program and to monitor the performance of funded projects. Additionally, article 19 of Decision 661/2010/EU reinforced the position of the European Coordinator by requiring the Member States to transmit him/her all the information needed to appreciate the design and implementation of funded projects.

In 2014, the investment guidelines were amended for the last time by Regulation 1315/2013. As delays in the completion of planned projects did not stop, the list of projects to be funded was reviewed. This revision was done by the European Commission on the basis of a scientific methodology using the evolving traffic demand as a basis to distinguish between most strategic and least strategic projects. The objective was to concentrate TEN-T funding in the main European urban nodes and economic centers. Based on this methodology, the Commission concluded that the TEN-T could be best developed through a dual-layer approach, consisting of a comprehensive network and a core network. The former was the basic layer of the TEN-T network consisting of all existing and planned infrastructure projects meeting the requirements of the guidelines. The deadline for its completion was extended to 2050. The latter overlaid the comprehensive network and consisted of its strategically most important projects. Because of their strategic importance, the deadline for the completion of core-network projects was extended to 2030.

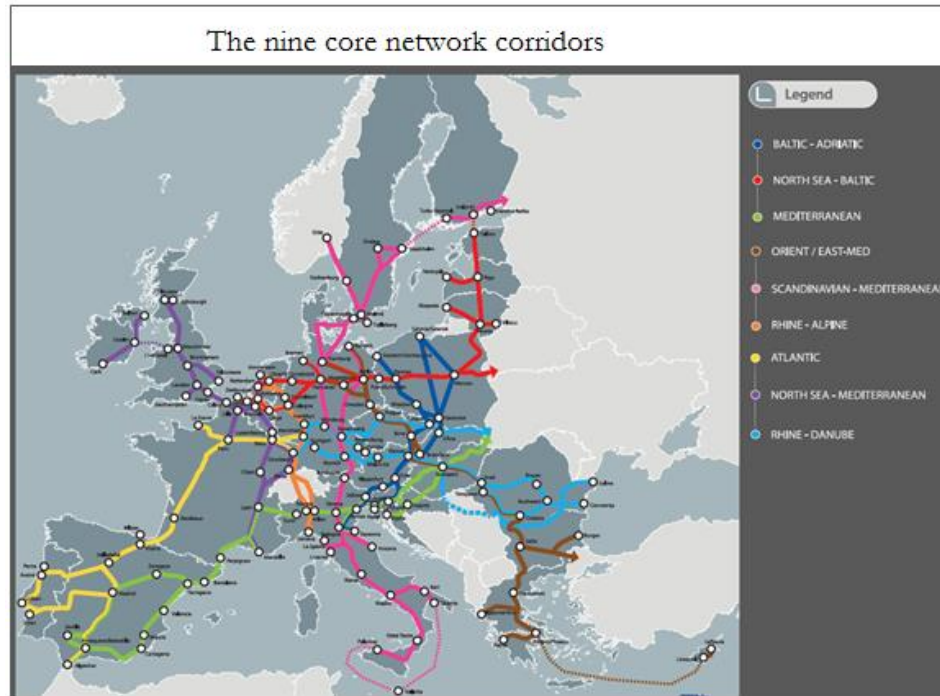


Figure 5.1 – Source: European Commission

Additionally, the 2014 reform of the guidelines introduced the notion of “corridor”. All the infrastructure projects composing the core network were organized into 9 trans-European transport axes called “corridors” (see Figure 5.1). Each of these 9 corridors was provided with a dedicated governance body, called “corridor forum” and operating under the supervision of a European Coordinator. This forum is a consultative body, chaired by the European Coordinator, where the public authorities (national governments, ministry-level administrations and regions) and industry (infrastructure managers of ports, airports, rail and roads, as well as freight transport operators) gather to prepare and follow up the work plan detailing the activities to be done to assure the harmonized and timely implementation of all the projects composing the corridor.

Since the 1990s, the managerial innovations mentioned before have been accompanied by the increasing opposition of local communities in several Members States concerned by the implementation of TEN-T-funded projects: Italy and France (Lyon-Turin project), Germany (Stuttgart project), Spain (Basque Y project), UK (HS2 project). The Lyon-Turin (LT) project is certainly the most emblematic of existing opposition movements. For more than 20 years, the local communities of the Susa Valley (near Turin), backed by the local authorities, have blocked the project implementation with “a protest of epic tenacity and occasional violence” (Hooper, 2012). Since 2012, protests have developed also in France (departments of Rhône, Isère and Savoie). The core argument of Italian and French oppositions was that the project is useless - because many studies other than those produced by the project promoters showed that traffic flows are decreasing between Italy and France – and undemocratic - because it has been imposed from the top by the European Commission and the national governments without any adequate involvement of local communities.

LT is a TEN-T-planned 270 km-long HSR line that will connect Lyon (in east-central France) and Turin (in northern Italy). The core of the project is a 57 kilometres base tunnel crossing the Alps between Susa valley in Italy and Maurienne in France. Civil engineering works started in early-2000s with the construction of access points and geological reconnaissance tunneling, with actual construction of the line initially planned to start between 2014 and 2015. Nevertheless, throughout the mid-2000s and early-2010s local oppositions intensified in both countries and the construction of the base tunnel was postponed. Because of this delay, the European Commission put pressure on the Italian and French governments by informing them to reduce TEN-T’s financial support to LT if the timely implementation of the project could not be assured. However, local oppositions did not stop and delays increased. Therefore, on

occasion of the 2010 performance assessment of TEN-T-funded projects, the European Commission cut approximately €9.2 million to LT.

In 2012, as oppositions showed no sign of decreasing the Italian government approved Law 183 which, among others, declared LT a project of strategic priority to be realized in the name of national interest. In so doing, it created the juridical conditions to militarily occupy the construction site of the base tunnel and prevent any future protest which could delay further the accomplishment of the project. At the same time, in both countries *Lyon-Turin Ferroviaire* (LTF) – the constructor company in charge of the geognostic works for the base tunnel – pressed charges against local activists to discourage any future opposition to LT.

In 2015 the national governments signed an international agreement proving their intention to go ahead with the project despite existing oppositions. The same year they submitted a new request of funds to the EU. According to most recent information (Agence France Presse, 2017), the construction of the base tunnel is planned to start in 2018.

5.4 Data collection and analysis

Data come from an extensive qualitative database (Yin 2014) of interviews and documents - press releases, agreements, policy papers, third-parties studies and reports - covering a period from 1985 to 2016. They have been collected during a fieldwork which lasted 3 years, from 2014 to 2016.

Since LT is a transnational investment project articulating across different jurisdictions (France, Italy and EU) and organizational entities, data collection was designed on the basis of an embedded case study methodology allowing dealing with phenomena characterized by more than one sub-unit of analysis (Yin 2014). Following this methodological framework, 79 semi-structured interviews were conducted between 2014 and 2016 with actors – from the three jurisdictions

involved - playing a role in the governance of the LT project. Interviews were guided by a conceptual grid of information collection using a three-layer approach where individual functions, organizations' roles and the overall system of project governance were separately, albeit interdependently, examined. Semi-structured interviews averaged 90 minutes and included 4 typologies of actors: 1) project promoters, 2) public institutional actors, 3) lobbyists, 4) local communities. For the sake of clarity, the group of project promoters includes actors from the European Union (DG MOVE and INEA executive agency), the national public administrations and the railway companies implementing LT. The group of public institutional actors include actors from both the political (MPs, MEPs and non-elected parties) and administrative (administrative staff of parliamentary assemblies and public officers of administrations concerned by the project but not implementing it directly) members of organizations playing a role in the story of LT. The group of lobbyists refers to those actors who attempt to influence LT- and TEN-T-related actions, policies, or decisions of officials in their daily life. The local communities refers to organized groups of citizens from the Susa Valley (Italy) and the French areas concerned by LT (suburbs of Lyon, the Lower Dauphiné region, the Avant-Pays Savoyard and the Maurienne region).

These typologies were not decided *ex-ante*, rather they matured on the field during the interview process. Indeed, the set of interviewees was progressively constituted through snowball sampling (Onwuegbuzie and Leech 2007). Following this sample strategy, we asked participants who had already been selected for the study to recruit other participants. We thus started interviewing EU's public officials in charge of the LT project and, then, trickled down across French and Italian jurisdictions up to local communities opposing it. At the end of this process, our sample included: 18 project promoters, 19 public institutional actors, 7 lobbyists, 35 members from the Italian and French local communities opposing LT. Because of the transnational nature of the observed phenomenon,

interviewees issued from different jurisdictional contexts: France, Italy and EU (Table 5.1).

Typology of actors	Jurisdiction	N° Interviews	
Project Promoters	EU	5	18
	IT	5	
	FR	8	
Public institutional actors	EU	11	19
	IT	6	
	FR	2	
Lobbyists	EU	5	7
	IT	1	
	FR	1	
Local communities	IT	23	34
	FR	11	
79			

Table 5.1 – Interviewees by group of actors and jurisdiction

During the fieldwork, the authors have met several times. On occasion of these meetings they have debated the content of the interviews and fieldwork notes until sharing a common understanding of most important aspects. Based on these debates, the author prepared a data analysis table based on Pettigrew's (1985, 1990) contextualism suggesting that, when studying organizational change, context process and content should be separately, albeit interdependently, considered in the analysis. Based on this table, a chronicle of the key events was developed by: (1) using the interviews; (2) chronologically ordering the descriptions of the process LT implementation in the Italian and French context; and (3) juxtaposing accounts from different sources to ascertain convergence.

Based on the chronicle, we could capture “who did what, and when” (Maguire and Hardy 2009: 153) and we could therefore prepare a narrative making sense of the history of LT. This narrative was used to summarize our case study in section 3.

5.5 TEN-T’s panoptical system of performance management

5.5.1 Hierarchical observation

When thinking at the functioning of the TEN-T program, a distinction must be done between the formulation of the investment guidelines and their implementation. These are two different phases which occur in a sequential manner over a period of several years (formulation in time t and implementation in time $t+1$).

On the one hand, there is the making phase of the EU legislation about TEN-T during which the guidelines and the financial rules of the program are formulated on the basis of the co-decision procedure: for the last financial framework, this phase came to an end in 2013 under the Irish presidency of the Council. On the other hand there is the implementation phase of the EU legislation enacting the TEN-T program: this phase has started in 2014.

(Public officer, Italian State-level administration, Fieldwork interview)

The formulation of the guidelines follows the EU’s ordinary procedure and is based on the trialogue between the European Commission, the European Parliament and the Council of the EU. For the last edition of the guidelines, this process started in February 2009 and came to an end in December 2013 with the adoption of Regulation 1315/2013. This legal text provides the main geographical and technical characteristics of the trans-European transport network. Based on this text, the European Commission prepares the work programs, detailing the funding priorities and the total amount of financial support to be committed to

each of the priorities in a given year. Based on the priorities of the work program, the Commission launches the calls for project proposals to allocate the TEN-T budget across the project promoters of the Member States. On the one hand, the work program describes the objectives, funding priorities and available budget for the calls. On the other, the call for proposals invites the Member States to propose projects to be funded as part of the TEN-T budget. Most of the EU funding implemented through the calls is concentrated along the nine Core Network Corridors. Most recently, a multi-annual work program was adopted in 2014, with a financial envelope of €11 billion. The same year, the Commission published the calls for project proposals and, in so doing, initiated the implementation phase.

The opening of the calls activates a competitive selection process during which the Commission with the support of the executive agency called INEA - evaluates and selects the proposals coming from the Member States. Based on this process, the Commission prepares a list of projects to be funded by TEN-T. The list is submitted to a committee consisting of representatives of Member States for the final approval. Following this last approval, INEA adopts individual grant agreements for each of the selected projects, detailing the conditions under which the EU funds will be distributed, including a set of milestones and deadlines to be reached during the project implementation.

The timely implementation of all funded projects is assured by the nine European Coordinators. Their role is to put a constant pressure for the realization of projects on the governments concerned and all relevant actors involved. They make relentless efforts to push the performance of funded projects and identify suitable solutions to any obstacles or attempts to block their implementation.

The European Coordinator works to promote the development of corridors and plays a political role to tell governments: "Look, it's really time now!"

[...]Because of its reputation, personality and experience, he has the capability to speak with high-level politicians from the member states.

(Public officer, DG MOVE – European Union, Fieldwork interview)

Each of the nine European Coordinators chairs a Corridor Forum, a consultative body composed of representatives of the industry and public authorities concerned by a corridor's projects. As shown in the following piece of interviews, this forum works as an implementation tool whose objective is to assure that all the projects composing a corridor progress well.

We shifted from the project approach to the corridor approach and now we need a management tool to consider the entire corridor. This tool is the Corridor Forum. It is conceived to put all the actors involved in the same corridor around a table. It is important to understand that this forum is not a place where any type of actor meets and discusses about the project but rather it hosts professional meetings to decide how to implement the construction of a corridor. [...] Participation in these fora refers to infrastructure managers, governments, regions and also other actors such as infrastructure operators, ports managers, and freight transportation actors.

(Manager of RFI, Fieldwork interview)

Civil society stakeholders have no formal right to participate in the Corridor Forum but if the European Coordinator thinks that it is useful he can establish a dialogue with them. A constructive dialogue I must say. We do not include opponents because if they do not want to work with us constructively it does not really make sense to involve them.

(Public officer, DG MOVE – European Union, Fieldwork interview)

National procedures regarding regional and local authorities as well as civil society affected by a project of common interest shall be complied with, where appropriate, in the planning and construction phase of a project.

(TEN-T Investment guidelines, Regulation 1315/2013, article 50, paragraph b)

Thanks to the Corridor Forum, the European Coordinators have the possibility to closely monitor project performance, as well as to closely supervise concerned public authorities and industry over the implementation process. The European Coordinator has a high degree of control over the Corridor Forum as he/she supervises the redaction and approval of the work plan, detailing the actions that the forum's participants have to realize before the end of the funding schedule.

Civil society and local authorities concerned by the implementation of funded projects have no formal right to participate in the Corridor Forum and the duty of involving them is transferred to the national public authorities. In fact, TEN-T guidelines' article 50 asks the national governments to duly apply their national procedures concerning the participation of civil society and local authorities in the implementation of funded projects. However, these procedures may vary across the Members States of the EU – because different institutional systems are in place within the national boundaries – and may differently assure the execution of TEN-T's article 50. For example, the LT case shows that France and Italy have very different legal rules that regulate the decision-making of large infrastructure projects. French rules have their source in a set of codified administrative procedures – so called 'Enquête Publique' and 'Démarche Grand Chantiers' – that obligate the project promoters to involve local authorities and civil society in decision-making through public consultation and meetings. Conversely, Italian rules have their source in a governmental regulation – so called 'Legge Obiettivo' - making project promoters use a rigidly centralized top-down decision-making procedure allowing them to bypass both local authorities and civil society.

To summarize, the TEN-T design is based on a sequential and hierarchical division of work. The sequential division assures that decisions taken in time t by the EU's bodies are immortalized in the investment guidelines and unalterably transmitted to national public authorities and industry for implementation in $t+1$. This sharp and institutionalized distinction between the formulation of decisions and their implementation ("I decide, then I implement") allows safeguarding the agreements achieved in time t during the formulation of the guidelines and makes the management guard against any change that may occur in time $t+1$ during the implementation of specific projects. At the same time, the hierarchical division of work guarantees that the decisions taken at the top by the EU's bodies during the formulation phase are properly transmitted to the bottom for the implementation of corridors' specific projects. The European Coordinator facilitates this transmission by aligning the accomplishment of projects being part of the same corridor. This approach places local authorities and civil society under supervision of nested tiers of public managerial personnel and establishes clear lines of command across the organizational hierarchy of the program. This form of organizational rationalization constitutes a pyramidal field of visibility wherein each tier in the organizational hierarchy is subjected to the direct observation of immediate superiors (Figure 5.2). Such hierarchical observation is enabled by several intellectual technologies – work programs, corridor fora and work plans - maintaining persistent contact between the supra-national bodies (EU-level organization) and local stakeholders (civil society and local authorities) during the implementation of funded projects.

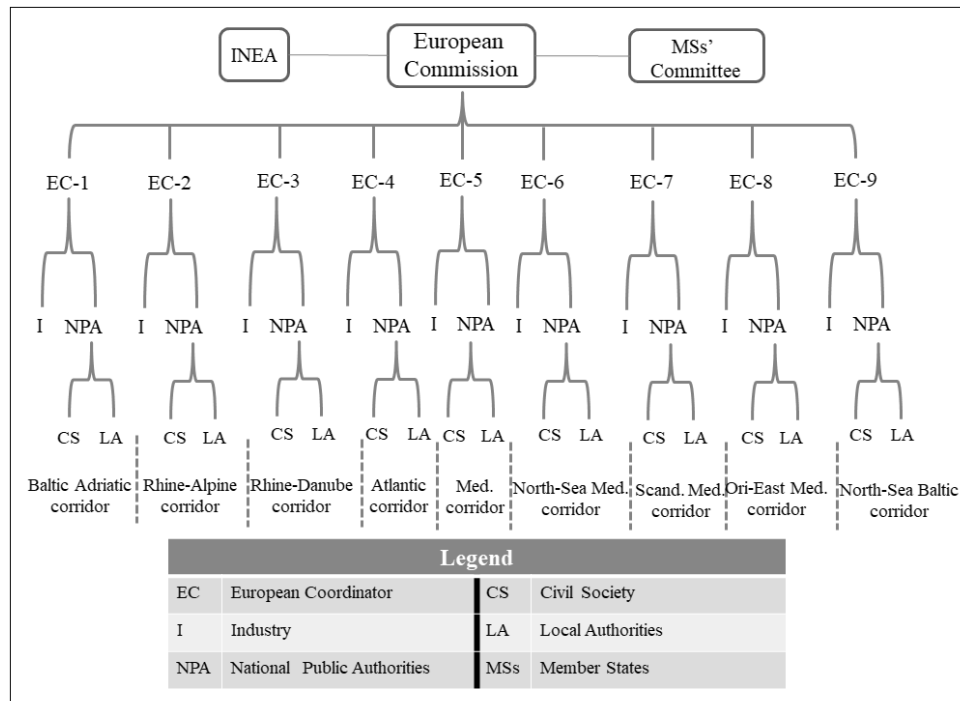


Figure 5.2 - Form of the hierarchical observation in the implementation of TEN-T

5.5.2 Examination

The European Commission - with the support of the INEA agency - periodically monitors and evaluates the program performance. This is done thanks to several reporting devices allowing EU bodies to examine the implementation status of funded projects.

After a project passes the selection procedure, a grant agreement is realized between the Commission and the beneficiary. This agreement is essentially a funding decision of the Commission detailing the financial resources made available to the selected project as well as the description of the funded activities and milestones to be achieved by the beneficiary. Based on this agreement, the beneficiary redacts the Strategic Action Plan [...]. This plan is a list of objectives and consists of milestones defined in the grant agreement. The beneficiary will

then provide every year an Action Status Report. This document allows the INEA to assess the progress made by the project promoters against the objectives listed in the Strategic Action Plan.

(Program manager, INEA executive agency – European Commission, Fieldwork interview)

The [mid-term] review aims at optimising the use of TEN-T funds [...]. The main aim is to assess the progress made in the current and future implementation of the projects. On this basis, the Commission was able to analyse to what extent and under what conditions the Multi-Annual Programme is expected to achieve its stated objectives and to propose possible improvements.

(Summary results of the mid-term review, European Commission, MEMO/10/526, 10 October 2010)

The Strategic Action Plan (SAP) is a project management document, which identifies the activities to be carried out and the associated resources, timeline and dependencies. On the other hand, the Action Status Report (ASR) is an annual report submitted by the implementing body on the technical progress of a project against the SAP's initial plan, and the associated budget consumption. It is the main document used by the INEA to assess progress. For multi-annual projects, the ASR is crucial it is the basis for deciding whether funding for the next phase of work should be allocated.

SAP and ASR provide the European Commission – and INEA agency - with detailed data on the annual progress of funded projects which can be used to: (1) monitor project outputs against the plan; and, (2) identify deviation from plan. Both tools are thus key examination tools constituting the basis for constructing organizational charts that reveal flaws in the performance of TEN-T projects. An example of these charts is provided in Figure 5.3.

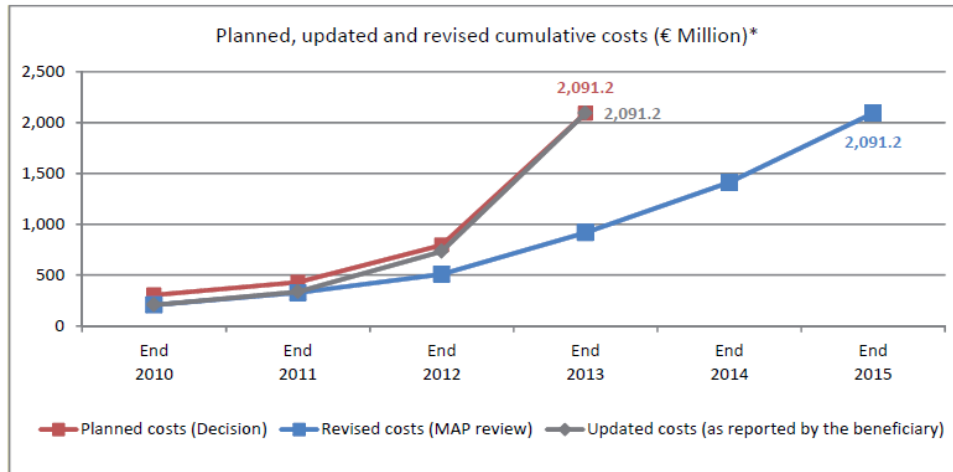


Figure 5.3 – TEN-T’s performance chart of the LT project. Source: DG MOVE (2010)

This chart comes from the ‘Mid-Term Review of the 2007-2013 TEN-T MAP Project Portfolio’, a report providing a record of the results following the mid-term assessment of the implementation of the TEN-T’s Multi-Annual work Program (MAP). Calculations and performance flaws are elaborated by experts on the basis of the SAP and ASR data. The assessment process looks at the actual variations of budgeted costs - as reported by the beneficiary in the ASR report - against the costs planned in the funding decision (and described in the SAP). Based on this information, the European Commission – with the support of external experts – revises the costs of the projects by providing a more realistic calculation of their future evolution. This revised cost act as a benchmark describing the normal course of action a beneficiary will have to follow to assure the timely completion of the project. Revised cost predictions are used to review the list of objectives to be accomplished by the beneficiary during the remaining funding period.

Above-mentioned reports and charts are key instruments of organizational rationalization because they open the entire space of the TEN-T program, no

matter how vast, to managerial observation and control. They thus allow the EU-management bodies to inspect and overhaul the program administrative machinery and maintain unity of command over the implementation process of individual projects. In fact, the European Commission uses them to classify the performance effectiveness of funded projects and, if needed be, to reorganize their implementation plan. 'Effective' projects – for which the examined data suggest that they will be completed in compliance with the planned objectives - are allowed to run their normal course until completion. By contrast, 'ineffective' and 'under-effective' projects undergo corrective measures. Projects classified as ineffective – for which the examined data suggest that they will no longer meet the planned objectives - undergo the cancellation of funds whereas those classified as under-effective – for which examined data suggest that they will be completed behind the planned schedule - undergo the conditional extension of funds. Extension is usually accompanied by detailed implementing conditions - which can be of administrative, technical, financial or political nature depending on the specific issues to be addressed within each individual project - that will be closely observed by the Commission in order to ensure better use of resources while fulfilling the objectives of the program.

5.5.3 Normalization

The final moment of disciplinary performance management is normalization, a pervasive form of social control that brings project promoters' behavior in line with organizationally prescribed norms. It is not articulated through brute force but instead results from strategies that depoliticize the inculcation of norms. It thus forms an apolitical basis for organizing human beings.

With this [mid-term] review, we want the scarce resources available to be managed strictly. But where projects are no longer meeting their objectives then

EU funding must be cut and reallocated so we make best use of the limited resources.

(Siim Kallas, Commission Vice-President responsible for transport, press release
IP/10/1391, 2010)

Our unit informs the European Coordinator when a project is not performing well. We can suggest him reducing the amount of money available for that project if it clearly appears that the project is late compared to the planned timeline. In this case money are cut and shifted to other projects. [...] This is the “use it or lose it” principle. It aims to create pressure on the Member States and lead them to comply with the planned duration and budget of the project.

(Program manager, INEA executive agency – European Commission, Fieldwork
interview)

Based on the outcomes of the examination phase, the funds of projects that are no longer meeting the planned objectives are either cut or reallocated to most performing projects, so that a better use of the limited resources is assured. As explained by the program manager of the INEA, this is done on the basis of the so called ‘use it or lose it principle’ which is a financial rule allowing the TEN-T management to reallocate resources from ineffective and under-effective projects to effective ones. Such reallocation of funds is not presented as a political choice but rather as a managerial consequence of the rational economic assessment of project performance. While the examination tools (SAP, ASR and mid-term review) are used to differentiate between effective, under-effective and ineffective projects (‘normalizing judgment’), the ‘use it or lose it principle’ is applied to compel ineffective and under-effective project promoters to comply with the delays and conditions of the TEN-T program. It is thus a managerial rule whose aim is to normalize project promoters’ use of the TENT funds in a way that is consistent with the planned objectives. If compliance with initial plans is not

assured, the European Commission may impose corrective measures – such as cancellation or conditional extension of funds. During the 2010 mid-term review (Table 5.2), about 36% of the projects assessed was considered to be ineffective or under-effective and, thus, underwent either total or partial cancellation of funds on the basis of the use-it-or-lose it principle.

Classes of Projects	Normalizing judgment	Corrective Measures	Share of projects subject to corrective measures (%)		TEN-T funding subject to corrective measures	
					€ Million	% of funds
Projects that will be cancelled or substantially reduced	Ineffective	Cancellation of funds	4,3		31,81	0,6
Projects expected to be completed by 2015 that will be either partially reduced or prolonged subject to specific political, technical and financial conditions	Under-effective	Conditional extension of funds	43,5	31,5	2984,46	56,3
Projects expected to be completed by 2014 and 2015 that will be prolonged subject to specific political, technical and financial conditions				12	842,86	15,9
Projects expected to be completed by the end of the programming period and that will be confirmed	Effective	Confirmation of funding support	52,2		1441,87	27,2

Table 5.2 - Classification of projects under the mid-term review of the 2007-2013 TEN-T programming period

On occasion of the 2010 mid-term review, the European Commission partially cut the TEN-T contribution (approximately €9.2 million) to the LT project because, in the past years, the project had shown under-effective performance on the Italian side. The remaining funds were extended subject to specific conditions.

On the joint Franco-Italian section (St Jean de Maurienne to the Bussoleno/Bruzolo area) the construction of the St Martin, La Praz and Modane inclines, all on French territory, has continued on schedule. [...] On the Italian part of this section, the situation in the Val Susa and the moratorium on the work imposed by the government pending the observatory's conclusions has resulted in no activity apart from continuing design work and the contribution of LTF and RFI to the observatory's activities.

(Progress Report of the European Coordinator, July 2007)

The Mid-Term evaluation concluded that despite the progress achieved so far, the future implementation of the project will be significantly delayed, because of cross-border coordination and technical issues. [...] The completion of the project by the end of 2015 is more realistic, provided that the following conditions are met: (1) the two Member States conclude, within 2010, the terms of the revised Treaty establishing the new public promoter, and the financial model for the implementation and operation of the project including the respective financial contribution; (2) the preliminary design study is approved by both Member States by the end of 2010; (3) excavation of the Maddalena Gallery starts, at the latest, by the first quarter of 2011, (4) the final design studies are completed by the end of 2011.

(Mid-Term Review of the 2007-2013 TEN-T Multi-Annual Work Programme
Project Portfolio, October 2010)

Throughout the 2000s, the Italian process of project implementation experienced major delays because of the increasing opposition of local stakeholders from the

Susa Valley. The 2010 mid-term review made emerge these delays and, consequently, led the European Commission to apply the use it or lose it principle. TEN-T financial support to TEN-T to LT was thus reduced by €9.2 million.

In the early-2010s, local oppositions showed no sign of decreasing. To prevent further delays – and thus an additional reduction of EU's funds - the Italian government approved Law 183/2011. This law declared LT a project of strategic priority to be realized in the name of national interest. In so doing, it created the juridical conditions for the government to militarily occupy the construction site of the base tunnel and prevent any future protest which could delay further the accomplishment of the project.

At the same time, as protests begin also in the French areas concerned by the project, LTF – the constructor company in charge of the geognostic works for the base tunnel - pressed charges against local activists in both countries to discourage any future opposition to LT.

5.6 Discussion

PMSs are key management devices that allow public managers and officials to evaluate policies and programs, uncover the factors that led to their success in achieving their objectives or deciphering the miscalculations and strategic errors that led to their failure. The rationale behind these tools lies in the belief that the public sector works better when public administrative bodies are oriented toward results, rather than being focused on processes. Riding the wave of NPM reforms, PMSs have spread in many countries, across various policy areas and at every level of government (Olvera and Avellaneda 2017). A growing body of empirical literature has showed that the initial aims of NPM reforms have been rarely met (i.e. Hood, 2001; Pichault, 2007; Lodge and Gill, 2011; Siltala, 2013). Such

mitigated results may be linked to the disciplinary characteristics of NPM models whose style of management is essentially designed, monitored and imposed from the top (Hood, 2000; Ryan et al., 2008).

How do PMSs exert disciplinary power?

We know from the literature (Berdayes 2002, Soss et al. 2011) that PMSs may act as disciplinary regimes where performance indicators unleash organizational forces that guide managers' decisions to allocate penalties to deviant (non-performing) behaviors across the field.

Our findings suggest that PMSs' disciplinary regimes operate through 'intellectual technologies' allowing managerial élites to make judgements as to whether and why this or that policy succeeded or failed, or to devise remedies for alleged deficiencies across all actors in the field.

Our study shows that *in the case of the LT project, PMSs are key intellectual technologies that enable managers to govern complex trans-national organizational processes. Particularly, they enable managers to represent reality in a form amenable to managerial and/or political deliberation, argument and scheming.*

These findings are consistent with Miller and Rose (1990) suggesting that before one can seek to manage a government domain (e.g. economy, transport, and foreign affairs) it is first necessary to conceptualize the set of processes and relations to be managed. Intellectual technologies render governmental fields thinkable, manageable and, eventually, amenable to certain kind of actions. Their function is to translate events and phenomena to which government is to be applied into information - such as written reports, drawings, pictures, charts, graphs, and statistics – that governing élites can debate and diagnose. The

combination of these technologies determines specific governmentalist assemblages that practice an infinitely complex art of governing.

Our study on the LT case provides an example of multi-level, transnational governmentalist assemblage. This is a complex assemblage of centralized monitoring and devolved administration tasks which together structure the organizational field of the TEN-T program. It operates through a vertical distribution of actors in the transnational space of the projects funded through the TEN-T budget where EU bodies are at the top of the decision-making scheme and the civil society and local authorities at the bottom. This top-down relation between actors articulates through multilevel hierarchized management structures and is controlled at distance through intellectual technologies that resort to the language of performance (e.g. ‘effective/ineffective project’, ‘efficient use of resources’, ‘mid-term reviews’) to steer TEN-T’s overall organizational behavior towards the fundamental policy objectives.

How do PMSs’ intellectual technologies shape the collective behavior of organizations?

Our study on LT suggests that PMSs’ intellectual technologies may articulate on the basis of three primary principles of panoptical control: (1) hierarchical observation, (2) examination and (3) normalization. The hierarchical observation is used to place stakeholder groups under the supervision of nested managerial tiers and establish vertical lines of command across the organizational hierarchy of TEN-T. Examination is used to construct charts revealing performance flaws in the TEN-T’s organizational structure. Thanks to these charts, the EU bodies at the top of the hierarchy inspect and overhaul the administrative machinery managing the funded projects. Examination allows measuring performance differences between projects and planning the re-allocation of financial resources from low-performing to high-performing projects. As a final step, low-performing projects

are sanctioned and conditional measures are applied to correct performance. This is the final phase of normalization during which (1) departures from correct behavior are sanctioned, (2) and rules (e.g. the use it or lose it principle) are applied to homogenize behavior across the TEN-T's structure. Our findings show that thanks to these three principles of panoptical control the top management of TEN-T maintains unity of command over the entire process of program implementation and assures the achievement of planned programmatic goals.

Our study shows that in the case of the LT project, PMSs' intellectual technologies narrow the focus of managerial action on the control of organizational outputs - as measured by performance numbers - and overlook the behavior of people unfolding over time within and between organizations. This narrow focus may have inescapably-disciplinarian effects on the evolution of the field.

We know from the literature (Radin 2006) that PMSs embed performance values which may conflict with the democratic values of an organizational field. This is because their evaluation criteria rely on simplistic, one-size-fits-all solutions that do not correspond to the dynamic reality of organizations and may result into behavior described as tunnel vision - undue focus on performance measures to the detriment of other areas - and myopia - short-sightedness leading to the neglect of longer-term objectives - (Mannion and Braithwaite 2012; Smith 1995). In these cases, managers and politicians make a “perverse” use of performance information (Kroll 2015, Kalgin 2016, Moynihan 2009) with negative unintended effects on trust and equity (Hvidman and Andersen 2014, Faull 2016). Performance numbers may lead the line management to innovate in perverse ways that narrow the focus on output control and divert attention from important-but-unmeasured values.

Consistently with this literature, our analysis shows that TEN-T's PMSs lead EU's supranational authorities to narrow their focus on the progress made against initial plans and to pay little attention to the process taking place within the national contexts. For example, when the local oppositions intensified in Italy throughout the 2000s and 2010s, the European Commission's concerns were about the delays these oppositions provoked vis-à-vis the existing schedule of project implementation. It therefore decided to apply the use it or lose it principle to normalize the project implementation process to align it with TEN-T's programmatic goals. To prevent further delays – and thus an additional reduction of TEN-T funds due to the application of the use it or lose it principle - the Italian government militarily occupied the construction site of the project. The aim was to discourage any future protest which could delay further the accomplishment of TEN-T's planned objectives. These findings suggest that, when the panoptical techniques of performance management fail to normalize deviant behaviors, top-management levels (e.g. TEN-T supranational bodies) may unintendedly push the lowest levels of the management (e.g. the national and sub-national public authorities in contact with the civil society) to innovate in perverse ways (e.g. overtly displaying coercive power such as the threat of violence) which conflict with important-but-unmeasured values (e.g. democracy, right to participation, equity). In these cases, hierarchical power may turn back to old-fashion devices of control relying on violent forms of punishment.

5.7 Conclusion

This article has addressed the functioning of PMSs in the complex settings of trans-European megaprojects funded under the TEN-T investment program. Through a case study research of the LT megaproject, it has focused on the disciplinarian effects of PMSs on local stakeholder participation.

PMSs are certainly very important instruments thanks to which megaprojects' objectives are set, the means of attaining those objectives are selected, and the means of monitoring performance are determined. In a nutshell, PMSs are key instruments to assure goal alignment across all the stakeholder groups involved. As explained by Ruuska et al. (2009), in the context of megaprojects, members from diverse organizations have underlying differences in their behaviors, values, and attitudes while they not only notice different information, but perceive the same information differently. As a result, diverse organizations tend to lack a shared social reality with members and their organizations failing to have a common "here-and-now" and perspective. Additionally, individuals and their organizations may even have differing motives and these motives may change over time. This all leads to the lack of goal alignment.

In a similar vein, this article has presented PMSs as the combination of several intellectual technologies, which resort to the language of performance to steer TEN-T's overall organizational behavior towards the fundamental policy objectives. We have explained how these technologies enable managers to govern complex trans-national organizational processes by representing them in a form amenable to managerial and/or political decision. The systematic combination of these technologies produces sophisticated governmentalist assemblages that practice an infinitely complex art of governing.

In this study we have focused on the panoptical assemblage. We have showed that, within this particular assemblage, PMS technologies are held together through three principles: (1) hierarchical observation, (2) examination, and (3) normalizing judgment. In the case of TEN-T, such panoptical settings empower the top management to (1) legitimately acquire deep information on individual behaviors in the field and (2) correct unfolding intra- and inter-organizational processes when these deviate from the planned direction. According to our

findings, this panoptical assemblage may have inescapably-disciplinarian effects on organizational behavior. This occurs because PMSs' technologies narrow the focus of managerial action on (1) controlling the achievement of pre-determined organizational outputs and (2) normalizing deviant behaviors.

These findings are coherent with the existing academic literature (Radin 2006, Hvidman and Andersen 2014, Faull 2016) according to which PMSs embed performance values which may conflict with the fundamental democratic values of an organizational field and have perverse effects on important-but-unmeasured values like trust and equity. From a wider perspective, we suggest that such dysfunctions may be linked to the NPM logic underneath PMSs. This logic is based on the belief that the public sector works better when public administrative bodies are oriented toward outputs, rather than being focused on processes. Although in the past decades NPM beliefs have increasingly spread throughout the European public sectors (Esposito et al. 2017), their attractiveness is now declining because of (1) their inappropriate likening of the public sector to the private one (DeLeon and Denhardt, 2000; Hefetz and Warner, 2004; McCabe and Vinzant, 1999; Rocha and De Araujo, 2007) and (2) the fact that NPM models have led to not only positive outcomes such as gains in effectiveness and efficiency but also to negative outcomes such as losses of equity, citizenship, and accountability (Boyne, 1998; Kettl, 1993; Morgan and England, 1988; Romzek, 2000).

In parallel with this decline, there has been the rise of new logics in public-sector reasoning which take complexity as their theoretical background (e.g. Cilliers, 1998). A post-NPM logic that is alleged to reconcile democracy and efficiency in public decision-making processes is provided by the Public Value (PV) theory (Moore 1995, O'Flynn 2007, Stoker 2006). The PV perspective abandons NPM's mono-centric and mono-rational vision all to the good of a poly-

centric and poly-rational vision where the core of public decision-making is stakeholder participation. PV shifts the focus of public action from results to citizenship, network governance and the role of public agencies in working with citizens to create public value, generate democratic authorization, legitimacy and trust. This approach considers public sector organizations as complex adaptive systems with characteristics which are qualitatively different from simple market forms, or private sector business principles.

According to Stoker (2006), the PV paradigm promotes alternative management systems functioning through dialogue and exchange practices associated with network governance (Powell 1990) - rather than practices of top-down hierarchical control and disciplinarianism. He believes that it is through the construction, modification, and adaptability of these alternative systems that democracy and management can be reconciled and delivered. Bozeman (2002) introduces the notion of public-value failures, occurring when core public values are not reflected in social relations, either in the market or in public policy. From his perspective, “a public-failure approach changes the discussion of public policy by making government (and public values) something other than residual category or an issue of technical efficiency in pricing structures. [...] The public-failure model is not a decision-making tool (à la cost-benefit analysis), but a framework to promote deliberation about public value” (Bozeman 2002: 150). According to this perspective public value does not exist per se, but it is negotiated and constructed among wide-ranging stakeholders who may disagree on what course of actions will produce the maximum public value (Yang & Holzer 2006, Sanger 2008). “Under [the public value] model, the role of government is not simply to regulate, distribute, or redistribute public benefits but to serve as a catalytic agent to invest private and nonprofit stakeholders in shared ownership of the public good. This can take the simple form of community policing programs or a much more complicated form of networked governance

such as watershed management over a very large geographic area involving multiple stakeholders, jurisdictions, and structures of authority” (Bao et al. 2012: 447).

Future research directions should focus on the design of PMSs adaptable to the PV logic. A stream of the management literature (Hazen, 1993; Clegg et al., 2006; Pichault, 2013) has explored a polyphonic design. Polyphony refers to the diverse voices of various organization members, and how these voices are present, disclosed and utilized in management (Hujala and Rissanen 2012). It means that managers’ role is to guard that all voices in the everyday life of an organization are considered equivalent and that the struggle between different ideas and interpretations is considered normal. According to Pichault (2013), the polyphonic approach to monitoring and evaluation sharply contrast with the panoptical model. The latter searches for control and correspondence (accomplishing objectives established in advance) whereas the former proposes evaluations “in several voices” where stakeholders’ multiple representations of and expectations on the organizational performance are taken into account to design PMS indicators. The identification of stakeholder groups, the environments in which they interact, and the recognition of the active role of various stakeholders in producing PMS are all key aspects of this polyphonic approach.

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6. National Institutional Frameworks of Trans-European Megaproject Governance (Essay 5)

Abstract

Megaprojects play a key role in the global economy as they make up 8% of the world GDP. These are described in the literature as temporary endeavours characterized by large investment commitment, vast organizational complexity and long-lasting impact on the economy, environment and society. These are often characterized by conflicts and poor cooperation between concerned stakeholders, which may create a pool of future unresolved issues, frustration and resentment having a negative impact on performance. The focus of this article is on the conflicts between the project and the stakeholder groups outside the project team. We adopt a dialectical perspective and use neo-institutionalism to explain the dynamics of these conflicts in the case of the Lyon-Turin megaproject, a high-speed railway infrastructure planned at the EU level in the framework of the trans-European network policy. Particularly, we adopt an institutional work perspective and describe the practices that proponents and opponents mobilize over time to create, maintain and disrupt the Lyon-Turin megaproject.

Keywords: megaproject, national frameworks of governance, TEN-T infrastructures, institutional field, institutional work, dialectics

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6.1 Introduction

Megaprojects play a key role in the world economy as, globally, they make up 8% of total GDP (Flyvbjerg 2014). Most definitions of megaprojects are provided by governments and industry directives (Hu et al. 2015). The US department of Transportation (DIOIG 2001) has provided one of the most widely accepted definitions describing a megaproject as a project with at least a 1 billion US dollar budget. Moreover, Capka (2006) suggests that they attract a high level of public attention or political interest because of substantial direct and indirect impacts on the community, environment, and state budgets. In the context of the European Union (EU), the International Project Management Association (IPMA 2011) identified a threshold of 100 million euros as the basis for defining megaprojects across all industries.

Megaprojects contain a large element of innovation associated with high risk and characterized by conflict, uncertainty and poor cooperation between actors involved (Marrewijk et al. 2008). Awakul and Ogunlana (2002) argue that conflicts encountered on large scale construction projects occur in two broad categories: internal conflicts and interface conflicts.

This article focuses on project interface dynamics and mobilizes institutional theory to explain the conflict between the project and groups outside the project team. By doing so, it contributes to the debate on the role of institutional frameworks in the management of large complex projects. A number of scholars (Miller and Lessard, 2000; Miller & Hobbs, 2002, 2005) involved in the International Research Program on the Management of Large Engineering and Construction Projects (IMEC) highlighted that the anchoring of projects to institutional frameworks is one of the most critical aspects of megaprojects. In 63% of cases examined by the IMEC program, important regulatory and institutional factors were critical part of the project development process as they

contributed to make the projects able to withstand and survive the impacts of emergent uncertainty. This confirms what is by now a substantial amount of professional and academic literature (Association for Project Management 2002, Flyvbjerg et al., 2003, Morris and Hough 1987) showing that institutional arrangements – decision-making structures, firm culture, government roles, policies, regulations, and so on - have crucial importance to the planning and management of large investment projects.

The analysis adopts a dialectical perspective (Seo and Creed 2002, Poole and Van de Ven 2004, Hargrave and Van de Ven 2009) and focuses on the interaction between the proponents and opponents of a given megaproject. We use institutional work theory (Lawrence and Subbady 2006, Lawrence et al. 2009) to describe the coalescence of institutionalization and deinstitutionalization practices in a planned megaproject.

6.2 Theoretical Background

6.2.1 Megaprojects as complex institutional systems

Brookes and Locatelli (2015) define megaprojects as temporary endeavors characterized by large investment commitment, vast complexity (especially in organizational terms), and long-lasting impact on the economy, the environment, and society. Megaprojects contain a large element of innovation associated with high risk and characterized by conflict, uncertainty and poor cooperation between partners (Marrewijk et al. 2008).

Poorly managed conflicts can create a pool of future unresolved issues, frustration and resentment which can result into performance shortcomings (Zikmann 1992). According to Whitfield (1994), successful conflict management largely depends on the recognition of the real causes of opposition - including how and why it arises. Awakul and Ogunlana (2002) argue that conflicts encountered on large

scale construction projects occur in two broad categories: internal conflicts and interface conflicts. The former refer to conflicts between people in the project team, whereas the latter refer to conflicts between the project and groups outside the project team. Many scholars (Susskinds, 1985; Prisco, 1987; Harashina, 1995) have studied interface conflicts on projects involving various stakeholders and have shown that successful conflict management can be achieved through mutual education, as well as openness and fairness in decision making: "It is possible to convince an opposing party through sharing of information, quality argument and sound reasoning. When parties to a project are unwilling to use these approaches, conflict can get out of hand as opposing groups develop hard attitudes towards each other" (Awakul and Ogunlana 2002: 366). External oppositions to a megaproject are often associated with divergent views about its effects on community life or ways of life, on people's relation with one another and how residents perceive and feel about communities and project-related changes (Leistriz and Murdock 1981). Indeed, people have different way of thinking depending on their personal cultural and social backgrounds which affect the way they perceive themselves, their behavior, and the stimuli in their environment (Al-Arjani 1995, Awakul and Ogunlana 2002).

Levitt and Scott (2016) suggest looking at megaprojects as complex institutional systems representing a distinctive type of organization fields characterized by interactions among an extraordinarily diverse and shifting set of actors or stakeholders. Following Scott et al. (2000), one can describe megaprojects as complex organization fields containing actors—both individual and collective—who carry differing institutional logics, and are overseen by varying types of governance structures. The complexity of these fields arises from the participation of key project delivery partners coming from different national institutional frameworks who must find a way to resolve their differences so they can work

effectively together to resolve multiple challenging technical, contractual and political issues (Levitt and Scott 2016).

6.2.2 Institutional pillars, institutional work and dialectics

“By organization field, we mean those organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products” (DiMaggio and Powell 1983: 148). Drawing on Scott (2001) and Maguire and Hardy (2009), one can see fields as held in place by three “pillars”—regulative, normative, and cognitive - through which legitimacy is established and conformity secured. The regulative pillar refers to the ability of certain actors to establish rules, police conformity and, if necessary, coerce compliance (Scott, 2001). Conformity to legal rules, for example, occurs in response to these coercive pressures (Maguire and Hardy 2009). The normative pillar refers to the values and norms that produce conformity (Caronna, 2004) because of social expectations and moral obligations (Hoffman et al., 2002; Scott, 2001). The cognitive pillar is based on “shared conceptions that constitute the nature of social reality” and define the prevailing orthodoxy (Scott, 2001: 57). Conformity in this case may be automatic and unconscious because of a conceptually correct basis of legitimacy which becomes unquestioned (Hoffman, 1999).

According to Maguire and Hardy (2009), institutional pillars are key factors which determine field stability and change. On the one hand, they contribute to stability because they help to reproduce behavior (Scott 2001): institutionalized practices may be held in place by one dominant pillar (Hoffman, 1999) or by an alignment of all three (Wicks, 2001). On the other, this tendency toward stability and reproduction does not preclude change as it is possible for the pillars to become misaligned (Caronna, 2004) or for one or more to collapse (Ahmadjian

and Robbins, 2005), making deinstitutionalization more likely (Maguire and Hardy 2009).

How do institutional pillars shape stability and change in the complex field of megaprojects?

To answer this question we propose to draw on Lawrence and Subbady (2006) urge researchers to focus on the interstitial elements of institutions in order to unpack the relational and interactive moments of institutional production. This means that, when doing research, analysis should focus on the work of actors as they attempt to create, maintain and disrupt institutional pillars. Based on a review of institutional studies published in mainstream journals, Lawrence et al. (2009) distinguish three broad categories of institutional work: creating, maintaining and disrupting institutions.

As to creation, Lawrence and Subbady (2006) identify three groups of practices through which actors engage in actions that result in the creation of new institutions. The first group consists of those forms of institutional work that focus on rules and refers to three typologies of actions: advocacy, defining and vesting. The second group accounts for those forms of work aiming at changing norms and beliefs systems and refers to: constructing identities, changing norms and constructing normative networks. The third set of practices aims at giving actors cognitive frames - or sets of meanings - to interpret the behavior of others and refers to three forms of work: mimicry, theorizing and educating.

As to maintenance, Lawrence and Subbady's (2006) review detects six forms of work devoted to maintaining institutions. The first three account for the maintenance of institutions through ensuring adherence to rule systems and refer to three types of actions: enabling, policing and deterring. The second three – valorizing/demonizing, mythologizing, and embedding and routinizing - describe

processes where actors maintain institutions by reproducing existing norms and belief systems.

As to disruption, Lawrence et al. (2009: 9) say that they found relatively little in terms of concrete descriptions of actions aimed at disrupting institutions since “the practices associated with actors attempting to undermine institutional arrangements are not well documented”. However, three forms of disrupting work can be found in the literature: disconnecting sanctions/reward, disassociating moral foundations, and undermining assumptions and beliefs.

Hargrave and Van De Ven (2009: 122) further develop the understanding of institutional work by taking a dialectical perspective: “In dialectical processes, change emerges from interactions between proponents of current institutional arrangements and parties espousing contradictory arrangements. The new arrangements that emerge are then challenged by proponents of alternative arrangements as the dialectical process recycles”. The authors thus hold that contradictions are central to dialectical processes of change and it is not possible to understand the perspective of proponents for an institutional change without examining the views of opponents. By drawing on Werner and Baxter (1994) they define a contradiction as the dynamic tension between unified opposites in a system. Thus, contradictions are more than dualities and exist only when there is dynamic tension between oppositions that are interdependent, which together compose a unity, and which logically presuppose each other (Hargrave and Van De Ven 2009).

How does change occur in the complex field of megaprojects?

Dialectics is long since considered the motor of change (Hegel 1807, Marx 1859). More than two centuries ago, Hegel suggested that a dialectical process comprises three dialectical stages of development: a thesis (giving rise to its reaction), an

antithesis (contradicting or negating the thesis), and the tension between these two beings resolved by means of a synthesis. In more simplistic words, one can consider a dialectical sequence in the following terms: action-reaction-solution. From this perspective, one can imagine that the dialectical tension in the field of a megaproject results from the relationship between the managerial initiatives of the project team (action) and the resistance to them of stakeholders outside the project team (reaction).

6.3 Case study

Pettigrew (1990) suggests that, when choosing the research site, social dramas or critical incidents may offer social scientists the opportunity to look inside previously shielded or ignored social systems. Following this suggestion, we have chosen to study the LT (LT) megaproject which is of “extravagant dimensions and has been blocked for almost 20 years by a protest of epic tenacity and occasional violence” (The Guardian, 9th April 2012).

LT is a planned 270 km-long high-speed railway (HSR) line that will connect Lyon (in east-central France) and Turin (in northern Italy). The core of the project is a 57 kilometres base tunnel crossing the Alps between Susa valley in Italy and Maurienne in France. The tunnel will be one of the longest rail tunnels in the world. Civil engineering works started in early-2000s with the construction of access points and geological reconnaissance tunneling, with actual construction of the line initially planned to start between 2014 and 2015: as of today, the construction of the base tunnel has not started yet. However, in 2015 the national governments signed an international agreement proving their will to go ahead with the project (European Commission 2015). According to most recent declarations, construction works should start in 2018 (Le Monde, 2017).

Two railway companies – one in Italy and the other in France – along with the two national governments and the European Commission are the project

promoters. According to the French Court of Audit (2012), the overall cost of the project has increased by 117,5% between 2002 and 2012 (12€ billion in 2002 and 26,1€ in 2012). LT is financed through public funds by the EU (40%), Italy (35%) and France (25%) in the framework of the EU's Trans-European Transport Network (TEN-T) investment policy: an infrastructure policy at the supranational level whose overall objective is to improve the functioning of the European internal market through continuous and efficient transnational networks in transport flows.

Because of LT's transnational nature, this case study is comparative in essence and provides the opportunity to examine two "polar types" (Pettigrew 1990: 275) as the Italian site of the project illustrates low performance and the French one high performance. In fact, while in France planned objectives - construction of access points and geological reconnaissance tunneling - have been timely met by the promoters, in Italy the project has experienced implementation delays because of the opposition of several civil society organizations. In the Italian context, the project has repeatedly been the objective of demonstrations by environmental organizations and local populations – backed by local authorities and intellectuals - who oppose the construction of the line for its cost, because traffic is currently decreasing, and for potential environmental and public health risks. The protests have often ended in violent clashes with the police force, permanently mobilized together with the army to defend the site which at the beginning of 2012 was declared of strategic national interest by the Italian government.

6.4 Data

Data for this research are based on an extensive qualitative database (Yin 2014) of interviews and documents - press releases, agreements, policy papers, third-parties studies and reports - covering a period from 1985 to 2016. They have been collected during a fieldwork which lasted 3years, from 2014 to 2016.

6.4.1 Data collection

Since LT is a transnational investment project articulating across different jurisdictions (France, Italy and EU) and organizational entities, data collection was designed on the basis of an embedded case study methodology allowing dealing with phenomena characterized by more than one sub-unit of analysis (Yin 2014). Following this methodological framework, 79 semi-structured interviews were conducted between 2014 and 2016 with actors playing a role in the governance of the LT project. Interviews were guided by a conceptual grid of information collection using a three-layer approach where individual functions, organizations' roles and the overall system of project governance were separately, albeit interdependently, examined. Semi-structured interviews averaged 90 minutes and included 4 typologies of actors: 1) project promoters, 2) public institutional actors, 3) lobbyists, 4) local communities. For the sake of clarity, the group of project promoters includes actors from both the national public administrations and the railway companies implementing LT. The group public institutional actors include actors from both the political (MPs, MEPs and non-elected parties) and administrative (administrative staff of parliamentary assemblies and public officers of administrations concerned by the project but not implementing it directly) members of organizations playing a role in the story of LT. The group of lobbyists refers to those actors who attempt to influence LT- and TEN-T-related actions, policies, or decisions of officials in their daily life. The local communities refers to organized groups of citizens from the Susa Valley (Italy) and the French areas concerned by LT (suburbs of Lyon, the Lower Dauphiné region, the Avant-Pays Savoyard and the Maurienne region).

These typologies were not decided *ex-ante*, rather they matured on the field during the interview process. Indeed, the set of interviewees was progressively constituted through snowball sampling. Following this sample strategy, we asked participants who had already been selected for the study to recruit other

participants. We thus started interviewing EU's public officials in charge of the LT project and, then, trickled down across French and Italian jurisdictions up to local communities opposing it. At the end of this process, our sample included: 18 project promoters, 19 public institutional actors, 7 lobbyists, 35 members from the Italian and French local communities opposing LT. Because of the transnational nature of the observed phenomenon, interviewees issued from different jurisdictional contexts: France, Italy and EU (Table 6.1).

Typology of actors	Jurisdiction	N° Interviews	
Project Promoters	EU	5	18
	IT	5	
	FR	8	
Public institutional actors	EU	11	19
	IT	6	
	FR	2	
Lobbyists	EU	5	7
	IT	1	
	FR	1	
Local communities	IT	23	35
	FR	12	
			79

Table 6.1 – Interviewees by group of actors and jurisdiction

6.4.2 Data analysis

6.4.2.1 Interview data

We used several techniques to make sense of the institutionalized practices mobilized in the implementation of LT.

During the fieldwork, the author has met several times with his PhD supervisor and PhD committee. On occasion of these meetings they have debated the content of the interviews and fieldwork notes until sharing a common understanding of most important aspects. Based on these debates, the author prepared a data analysis table based on Pettigrew's (1985, 1990) contextualism suggesting that, when studying organizational change, context process and content should be separately, albeit interdependently, considered in the analysis. Based on this table, a chronicle of the key events was developed by: (1) using the interviews; (2) chronologically ordering the descriptions of the process LT implementation in the Italian and French context; and (3) juxtaposing accounts from different sources to ascertain convergence. Based on the chronicle, we could capture "who did what, and when" (Maguire and Hardy 2009: 153) and we could therefore prepare a narrative making sense of the institutionalized practices mobilized in the implementation of LT.

6.4.2.2 Documentary data

We conducted systematic coding of the fieldwork documents ($n = 80$) with the N-Vivo software. The researcher read and re-read each document, selecting sentences, words and phrases that addressed the research questions.

As shown in Figure 6.1, the coding process led to identify 6 typologies of codes: public decision-making at the national level, EU-level project management, environment, economy, local and technical aspects of the investment. These six typologies were regrouped into the 3 categories of institutional pillars developed by Scott (2001) and Maguire and Hardy (2009).

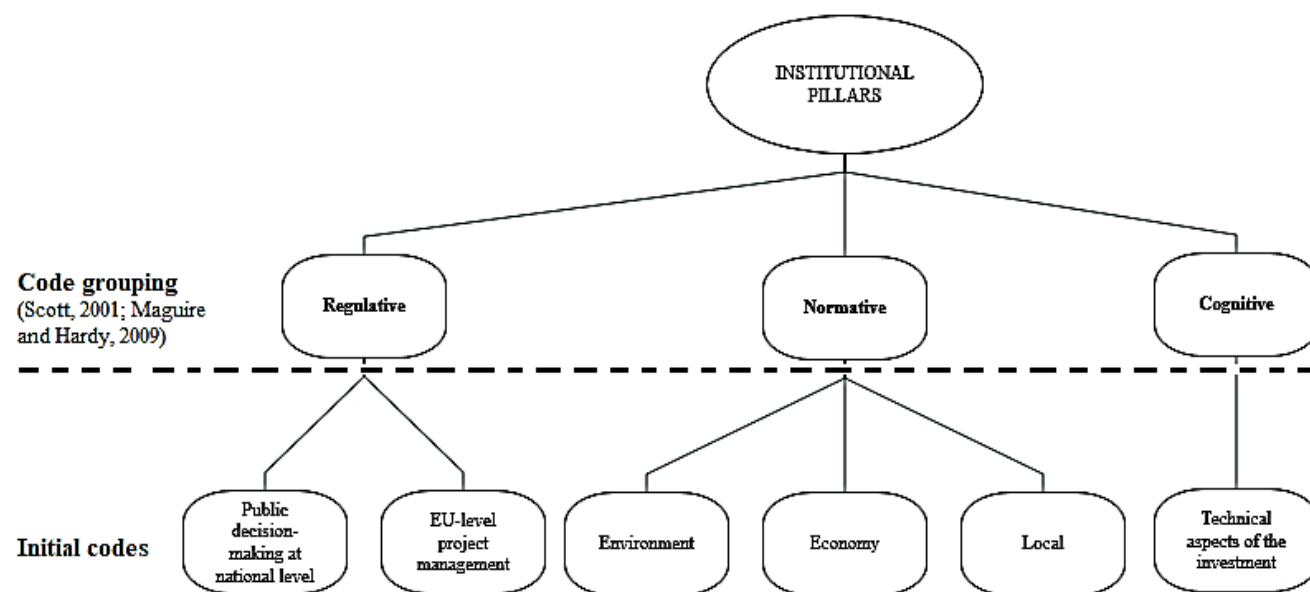


Figure 6.1 – Coding structure

The regulative pillar refers to the public decision-making and project-management rules and practices as determined respectively by national and EU-level regulations. The normative pillar refers to the environmental, economic and local justifications of the project as mobilized by the four groups of actors. The cognitive pillar refers to the technical aspects of the infrastructure investment (i.e. cost-benefit analyses, traffic flows, infrastructure technology, forecasting models

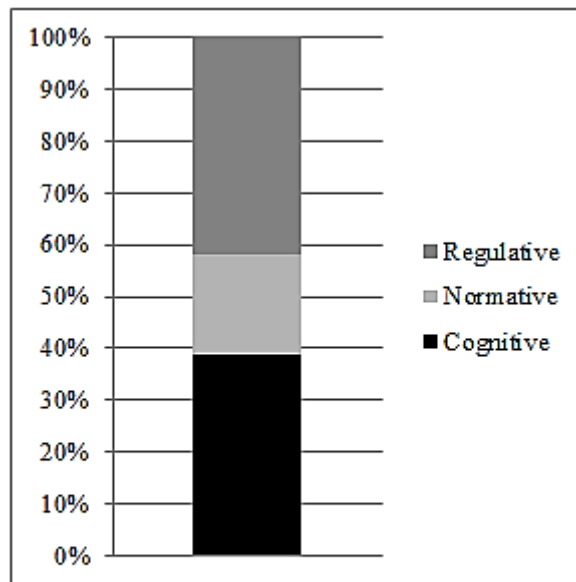


Figure 6.2 - Distribution of coded actors across the three categories of institutional pillars

and techniques) providing the scientific and technological arguments in support of the project.

At the end of the coding process we coded 4199 passages, distributed across the three categories of institutional pillars as follows (Fig. 2): regulative (42%), normative (19%) and cognitive (39%).

Table 2 shows that 38% of the 4199 coded passages refer to project promoters, 35% local communities, 21% public institutional actors and 7% lobbies. These percentages reflect the relative weight of each group in the LT case. Even if public institutional actors and lobbies have an essential role in the story, project promoters and local communities are the most important groups whose competing views of the infrastructure are decisive in the evolution of LT. They over time introduce contradictory logics in the field of LT that contribute to shape change and

stability. We give particular attention to these two stakeholder groups and explore their institutional work in the implementation of LT, but we also consider the different roles played by lobbies and public institutional actors in Italy and France.

	Cognitive	Normative	Regulative	Total	%
	ve	ve	ve	rows	rows
Local communities	531	255	684	1470	35%
Lobbies	117	64	116	297	7%
Project promoters	615	309	618	1542	37%
Public institutional actors	354	176	360	890	21%
Total columns	1617	804	1778	4199	
% columns	39%	19%	42%		

Table 6.2 – Coded passages across groups of actors and institutional pillars³⁴

6.5 Institutionalization

In this section we present the creative and maintaining practices that in each national context are associated with the existing institutional pillars (see Table 6.3). We first describe the practices associated with the cognitive pillar, then those with the normative and regulative pillars.

³⁴ Values in Table 2 were calculated as follows. Firstly, we assigned each of the 80 documents of our sample to one of the 4 groups emerged during the fieldwork process. Secondly, we coded the total passages of a document according to the corresponding group of actors. Thirdly, we systematically counted the number of passages coded for a given group of actors in relation to a given institutional pillar.

INSTITUTIONAL PILLAR	NATIONAL CONTEXT	
	<i>France</i>	<i>Italy</i>
<i>Cognitive</i>	Theorizing	Defining
<i>Normative</i>	Constructing normative networks	
	Advocacy	
	Mythologizing	
<i>Regulative</i>	Embedding and routinizing	Enabling

Table 6.3 – Description of institutional pillars, cross-country comparison

6.5.1 The cognitive pillar

A cognitive pillar is usually constructed by experts whose role is to produce a scientific orthodoxy through “fact-making” (Maguire 2004). Our analysis shows that the cognitive pillar was inconsistently fabricated across the French and the Italian contexts. In France, national railways’ experts actively contributed to lay down the cognitive foundations of LT by engaging in an intense work of infrastructure *theorizing*. In Italy, national railways’ top management did not consider LT a strategic priority. This resulted into a deficiency of the infrastructure theorization which was solved, at a later stage, through *defining* work.

6.5.1.1 France

Theorizing the technical need for a new railway connection between Lyon (capital of Rhône-Alps region) and Turin (capital of Piedmont Region) was far and away the very first important form of institutional work in France. As referred by Greenwood et al. (2002; 60), theorizing is “the development and specification of abstract categories, and the elaboration of chains of cause and effect”.

Preliminary theorizing efforts came from SNCF's planning department which in 1986 launched the idea of modernizing the railway connection between Lyon and Turin as the transport service provided by the historical railway line was affected by technical shortcomings. This new line was needed as the gradient of the old one was about 30% (three times higher than recommended values) and imposed strong limitations on operation, as well as higher additional power costs. The construction of a base tunnel crossing the Alps at the height of 400m – instead of the 1200m of the historical line – would have enabled a dramatic reduction of the gradient line (Figure 6.4).

SNCF's managers anchored LT in a number of rational categories which established a cause-effect link between the technical shortcomings of the historical line and its poor performance. By theorizing this link, they provided technical arguments to justify the construction of a new high-performing railway connection served by a base tunnel.

Thanks to a new base tunnel of about 54 km under Mont Cenis, this link will not only ensure the connection of high-speed French and Italian networks, but also creates a new high-performance route for freight traffic.

(SNCF, National Master Plan for the Development of TGV Lines, 1992, p. 10)

SNCF's idea immediately met the support of Rhône-Alps' political authorities which, at that time, had the ambition of internationalizing the region by improving its transport connections with other European cities. For this reason Rhône-Alps' important politicians, such as Charles Millon (President of the regional assembly) and Louis Besson (major of Chambéry, an important city of Rhône-Alps Region) considered LT a golden opportunity. They not only supported the project but also introduced an innovation as they proposed that the new connection should have adopted a TGV technology (French HSR

technology). SNCF welcomed this innovation and included LT in its master plan for the development of TGV lines in France and Europe.

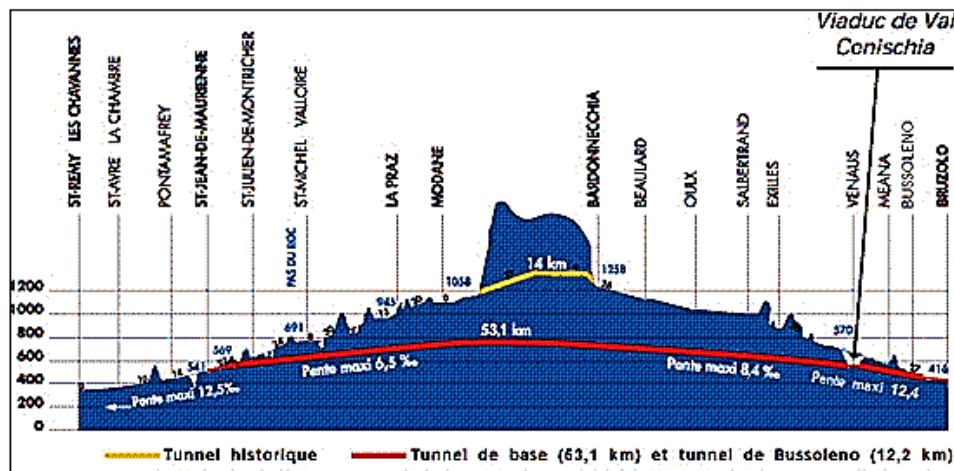


Figure 6.4 - Comparison between the gradients and heights of the traditional line and the base-tunnel line. Source: LTF. Retrieved from Sutto (2009: 75)

SNCF included LT in its master plan on the basis of two big options proposing alternative routes to connect Lyon and the French border. A first option referred to Nord-Isère route whose main characteristic was the fact that it favored the integration of Chambéry in the LT project. The second option referred to three different routes aimed at integrating the city of Grenoble in the project. These different options triggered an intense debate between the cities of Chambéry and Grenoble which both wanted to be served by an international TGV line. Technical theorizing played again a crucial role since Rhône-Alps Region decided to solve this dispute on the basis of rational arguments establishing a cause-effect link between the preferred option and regional transport needs. It commissioned a study to an independent consultant which concluded that Nord-Isère route was the preferred option since it was the best suited solution to serve both Lyon's international airport and existing Geneva-Chambéry railway connection in the

framework of the Diamant Alpin program, an international railway infrastructure program aiming at connecting major Alpine cities.

Additional theoretical elements legitimating the project idea arrived in early 1990s from French transport ministry which established a working group to study the traffic evolutions between Italy and France. In 1991, the working group released the so-called Rapport Legrand, a report justifying the new railway connection because existing road tunnels between Italy and France would have reached their saturation point by 2010.

Since early-1990s, the outcomes of this intense process of theorization were shared with the local communities affected by the project. These communities were provided with informative brochures about the project and were also involved in a public debate organized by the prefecture of the Rhône-Alps region.

In the early-1990s, the prefect of the region organized a public debate on the Lyon-Turin project. He invited all the associations and actors concerned to discuss the economic interest of the project. [...] The aim of this debate is to make citizens participate in public meetings where everyone is free to come. Citizens' associations have enough speaking time. Most often these associations are opponents, associations in defense of their territories. Since the beginning we invite them and they can give their opinion on the interest of the project.

(Public officer in charge of large infrastructure projects, French regional administration, fieldwork interview)

In 1992, local communities were thus involved in a public debate on the economic and social interest of the project. The debate was opened to associations and individual citizens who both were provided with the possibility to question the project as theorized by the industrial and regional experts.

6.5.1.2 Italy

In the early-1990s, during the initial phase of LT development, the technical need for a new infrastructure between Lyon and Turin was undertheorized in Italy. At that time, then FS' chairperson – Mario Schimberni – believed that the infrastructure priority was not the development of new international HSR lines but rather the upgrading of the existing national infrastructure network.

Mario Schimberni had the same opinion of the “old guard” of Italian railway engineers who considered the HSR philosophy unsuitable for the Italian orography. He believed that HSR systems were inappropriate because in Italy there are many cities with short distances between them. The only way to move traffic from the road, airways and seaways to railways was to improve the existing infrastructure network instead of building new lines for long distance trips.

(Member of a local community's committee previously working in the railway industry, fieldwork interview)

In 1990 the incumbent government removed Mr Schimberni from his position and replaced him with Lorenzo Necci. Mr Necci was an experienced executive with a managerial mindset and well-known admirer of the French TGV technology. He firmly believed that new investments in modern HSR systems, such as TGV systems, could have relaunched the Italian rail market and improved the quality of the transport service.

To initiate his TGV program and overcome the resistance of the “old guard” of engineers, Mr Necci engaged in a form of institutional work involving activities directed toward *defining*. According to Lawrence and Subbady (2006) defining refers to the construction of rule systems that confer status or identity, define boundaries of membership, or create status hierarchies within a field.

Under Mr Necci's direction, in 1991 FS adopted the resolution AS/971. This resolution established *Treno Alta Velocità S.p.A.* (also known as TAV S.p.A.), a joint stock company in charge of the planning and development of the future Italian HSR network. The same year, he went to Turin and signed a memorandum of understanding with the Piedmont region making official the intention of realizing LT. Three years later, he led FS to join SNCF in the process of infrastructure theorization. In fact, in 1994, drawing on the European Community Council Regulation 2137/85, FS and SNCF created a European Economic Interest Grouping – called Alpetunnel - entitled to conduct the feasibility studies of the base tunnel for both the Italian and French governments. In 2001, Alpetunnel delivered the results of its studies to the two governments and recommended the construction of the base tunnel.

6.5.2 The normative pillar

Maguire and Hardy (2009) suggest that normative pillars might be constructed to spread discourses reproducing a particular way of seeing as “truth” (Knights & Morgan, 1991: 262). To this end, discourses ‘hook’ into common-sense notions of good and bad to produce ideas which convey messages about morality and immorality, as well as acceptable and inappropriate behaviors (Carabine, 2001). Our analysis shows that the normative pillar was consistently fabricated across the French and the Italian contexts thanks the *construction of normative networks* engaged in the *advocacy* and *mythologizing* of the LT project.

6.5.2.1 France

According to Lawrence and Subbady (2006), constructing normative networks describes a form of institutional work that alters the relationship between actors in a field by changing the normative assumptions that connect them. Advocacy may be an important component of the institutional work conducted by these forms of networks, which are formally established to make claims for - to represent -

important constituencies in an organizational field (Galvin 2002: 673). Advocacy campaigns often consist in mobilizing political or regulatory support through direct and deliberate techniques of social suasion (Lawrence and Subbady 2006).

Between 1987 and 1988 the Rhône-Alps Region organized a cycle of international conferences gathering representatives from Piedmont and Catalonia regions. These conferences were the occasion to provide political support to the initial SNCF's project idea. LT was presented as a key infrastructure section of the Mediterranean transport axis, an ambitious infrastructure program aimed at connecting Spain (Barcelona), France (Lyon) and Italy (Turin). In 1991 the region created the *Comité de promotion pour la Transalpine* (often simply called *Transalpine*), a normative network in charge of the advocacy work in support of LT. Three typologies of actors compose this network: (1) regional (i.e. Rhône-Alps Region and Savoy Department) and municipal (i.e. Lyon and Chambéry) administrations, (2) economic stakeholders (i.e. SNCF, the federation of transport and logistics companies, the federation of public construction companies, banks) and (3) individual actors – senior civil servants and, especially, entrepreneurs.

The Board of Directors is composed in such a way as to assure the right balance between our typologies of members: local administrations, economic stakeholders and enterprises. [...] Transalpine is chaired by the head of a great company. Our current Chairman is Franck Riboud, CEO of Danone, a great company. Our Deputy Chairman is François Lépine, our big boss in the everyday life of Transalpine. In the past, Mr Lépine was prefect, a Senior Civil Servant of the French State. [...] The Chairman, the Deputy Chairman and the CEO of Transalpine are three complementary profiles. The Chairman takes cares of the good performance of the project. The Senior Civil Servant - who is the Deputy Chairman - can open any door at any level of the central State. The CEO - who is

a civil servant of the local administrations - works in direct contact with the local communities.

(Executive officer of Transalpine, fieldwork interview)

Transalpine “goads” the project implementation into the right direction. It oils the decision-making machine of LT and undertakes several advocacy activities - including media campaigns, public speaking, as well as commissioning and publishing research - to strengthen the political, economic, and social support of key stakeholders to LT:

Transalpine’s activities may be studies, individual meetings with the actors of the project, events to promote the project, newsletters, as well as other initiatives to spread the relevant information. [...] We have a very particular role. We are like a “goad”. It means that we are not directly involved in the governance of the project but we assure that decisions are made in the right way and as fast as possible. [...] We goad and enlighten in such a way that the project can properly advance across the gears of the European and national machine.

(Executive officer of Transalpine, fieldwork interview)

Transalpine has supported the French regional authorities in raising awareness spreading about the importance of the LT project as well as spreading information throughout the local communities. They take care of the press coverage at the regional level. There are systematically news stories on Lyon-Turin. In the regional press, every month there are two or three articles. I think that this helps the local citizens to imagine their future lives with the Lyon-Turin. Transalpine has been crucial for that: they organize information campaigns.

(Public officer of the Rhône Alps Region, fieldwork interview)

Mythologizing was also a crucial component of Transalpine’s advocacy campaign. Consistently with Lawrence and Subbady’s (2006) framework, mythologizing focused on the past - rather than the present – and was meant to

preserve the normative underpinnings of LT by exalting the history of the project, as well as revoking and sharing a distant past.

Over the centuries, crossing the Alps has been a test of strength, an individual and physical commitment. Great political and financial exploits have succeeded one after the other to create, reinforce and protect areas of passage.

(“Crossing the Alps: a long history”, Transalpine’s brochure, September 2005)

For example, to this end in 2007 Transalpine organized an exhibition called *Exposition Alpes 2020* in the Lyon’s chamber of commerce. During this event, many of its members gathered to explain to the large public that trans-alpine infrastructures, such as LT, have a longstanding tradition in the history of Franco-Italian relations as they date back to the 19th century. In a similar vein, they took part in an event celebrating the centenary of Fréjus rail tunnel between Italy and France. On this occasion, LT was narrated as the historical outcome of past railway relations between French and Italian peoples.

6.5.2.2 Italy

Similarly to France, in Italy the normative pillar was erected through the construction of normative networks, advocacy and mythologizing.

If we go back to the origins of the Italian lobbying activities in support of LT we find the association Tecnocity, the ancestor of Transpadana. Transpadana actually was born from Tecnocity. More precisely, Tecnocity was among the founders of Transpadana. Its initial members were all from the Piedmont region because, unlike today, LT was not considered a European project yet. From the late-1980s to the late-1990s its role was to promote studies and symposiums in support of LT. [...] In the late-1990s the name changed from Tecnocity to Comitato Transpadana because new members arrived from all the Padana Plain.

(Executive officer of Transalpine, fieldwork interview)

In the late-1980s, Tecnocity – a foundation controlled by FIAT (the largest Italian automobile manufacturer founded by the Agnelli family) and IFI (an Italian investment company controlled by the Agnelli family) – was the first to support the construction of a new HSR infrastructure between Lyon and Turin. It was a local organization promoting the development of new technologies, culture, tourism and trade in the city of Turin, and in general, in Piedmont. At that time, Tecnocity was following the initiatives of the European Round Table of Industrialists, an EU-level influential group supporting the construction of a base tunnel across the Alps to enhance the European transport system. Within this context, in September 1989 it organized a symposium where LT was presented to an audience of business organizations and politicians coming from all the Padana Plain. This initiative succeeded to favor the formation of a network of administrative authorities, economic stakeholders and enterprises which called itself *Comitato Transpadana* (known as *Transpadana*).

Throughout the 2000s and 2010s, Transpadana has conducted numerous actions which can be classified as advocacy and mythologizing work, many of them in collaboration with Transalpine.

This symposium is an initiative of Transalpine and Transpadana. It will be filmed, recorded and broadcasted on Twitter. In so doing, everybody will benefit from it. In addition, the proceedings will be distributed to all participants and put online on the site of Transalpine. [...] We have organized two round tables. One will deal with the question of how the economic actors and enterprises see, from a long term perspective, the modal shift in the geographical area at issue. The other will deal with the question of the future conditions of this shift on the Mediterranean corridor. We would like to look at this situation from the perspective of the economic performance of the rail freight and the conditions of its modal shift.

(Proceedings of the symposium entitled “The future of rail freight and modal shift in the Southern Europe after the Franco-Italian summit”, 8 March 2016)

In January 2001 it organized a convention called *"Un treno da non perdere. Ragioni e risorse di un nuovo collegamento veloce, merci e passeggeri, tra Torino e Lione"* (tr. “Don’t miss the train: reasons and resources for the new high-speed passenger and freight connection between Lyon and Turin”). During this event, the organizers projected a video presenting LT as a major progress not only for Italy but also for the local populations of the Susa Valley: the title of the video was *"Valsusa un viaggio nei futuri"* (tr. “Susa Valley, a trip towards the future”). In 2005 it participated in the French initiative “Exposition Alpes 2020”.

6.5.3 The regulative pillar

In their study on the deinstitutionalization of DDT practices, Maguire and Hardy (2009) suggest that the regulative pillars coerce compliance through legal rules. They examined the texts of all federal regulations and administrative rulings affecting practices of DDT. Their focus was on texts that were backed by the coercive power of government, such as administrative rulings, court orders, and acts of legislation, in connection with the regulative pillar. Following Maguire and Hardy (2009), we thus focused our analysis on the national laws and administrative regulations affecting the decision-making of LT in France and Italy. We show that that decision-making rules for large infrastructure projects vary across the two countries. French rules have their source in a set of codified administrative procedures – so called ‘Enquête Publique’ and ‘Démarche Grand Chantiers’ – that coerce LT promoters into involving local authorities and citizens in the project decision-making. Conversely, Italian rules have their source in a governmental regulation – Law 443/01, so called ‘Legge Obiettivo’ - coercing promoters into a rigidly centralized top-down decision-making procedure allowing them to bypass both local authorities and citizens. At the national levels,

these regulative differences produced different forms of institutional work - *embedding and routinizing* work in France and *enabling* work in Italy.

6.5.3.1 France

In France, existing administrative regulations - ‘Enquête Publique’ (EP) and ‘Démarche Grand Chantiers’ (DCG) – compelled project promoters to use primarily embedding and routinizing work. As explained by Lawrence and Subbady (2006), this category of institutional work involves actively infusing the normative foundations of an institution into the actors’ day to day routines and organizational practices. In the French context, LT was maintained and reproduced through the stabilizing influence of administrative routines of public consultations aimed at embedding the project into the local communities.

The EP starts with the administrative tribunal – a neutral actor - appointing the committee in charge of the public inquiry. It lasts for almost 2 months during which everybody can give his opinion. These opinions can be sent to the Municipality - where there are dedicated registers -, or be expressed during public meetings. Based on these opinions, the inquiring committee releases a legal opinion. This opinion either says ‘yes, the project can be declared of public utility’ or ‘no, the project cannot be declared of public utility’. For example, we had a public inquiry in 2012 and, in August 2013, the declaration of public utility. [...] The declaration is a decree of the government.

(Public officer of the Rhone Alps DREAL administration, fieldwork interview)

The consultation files were sent to 500 local actors: 251 municipalities, 64 inter-municipal structures, 5 local authorities, 40 Members of the Parliament, 77 consular and socio-professional bodies, 45 services of the State. The consultation resulted into about 30 meetings. Of these 30 meetings, 7 were information sessions with 40 to 150 participants each. [...] During these administrative consultations, local authorities organized many public meetings. These meetings

provided RFF with several occasions to present the implementation status of the project as well as to answer participants' questions.

(‘Rapport de la Commission d’enquête publique’, 2012, p. 25-26)

EP routinized practices coerced an independent administrative tribunal into creating a public inquiry committee. This committee disseminated information on LT to local authorities and communities and organized public meetings to explain them their stakes in the project. RFF was often involved and, as also referred in the 2012 Report of the public inquiry committee (p.26), established two offices – one in La Tour-Du-Pin and one in Chambéry – to best address local concerns. Since 2001, several public inquiries have taken place by favoring dialogue between project promoters and local stakeholders. EP routinized practices to embed the project into local stakeholder groups have been supported by the DCG.

The DGC is a mechanism to establish a good relation between the project and the territory. It aims at realizing the project as fast as possible with the support and collaboration of local communities. For example, in the Maurienne region the DGC allowed us to organize a round table with the concerned social and economic stakeholders and tell them: ‘a large infrastructure project will take place on your territory. It will have a disrupting impact on your territory. What do you think? Which are your fears? What do you want to gain from it? Based on this dialogue, we developed a set indicators reflecting the need of the territories and allowing us, when the works of the tunnel start, to monitor everything happens in the construction site.

(Public officer of the Savoy Department administration, fieldwork interview)

As explained by this public officer, the DGC allows the project promoters to sit at the table with local stakeholders and identify with them the best way to implement the project at the local level. A dialogue is thus established with local stakeholders to negotiate the local implementation of the project (i.e. employment

of local workers and enterprise) and define common indicators to monitor in the future the progress made.

6.5.3.2 Italy

In Italy, the existing regulation led project promoters to use *enabling work*. This form of work refers to the creation of rules that facilitate, supplement and support institutions. According to Lawrence and Subbady (2006), this may include the creation of authorizing agents needed to carry on institutional routines or diverting resources required to ensure institutional survival. It maintains institutions by introducing certainty into institutional arrangements which allows actors to avoid intra-institutional conflict.

As explained by the interviewees, LT decision-making was not regulated by ordinary administrative sources but rather from a 2001 parliamentary law - Law 443/01, so called 'Legge Obiettivo' (LO). LO introduced extra-ordinary institutional arrangements allowing the government to bypass local authorities in the LT decision-making and have preferential access to financial resources since the early phases of project development. Thanks to these new institutional routines, project promoters could swiftly divert resources towards LT without any intra-institutional resistance at the local level.

The 'Legge Obiettivo' came into force in 2001 because the government considered that this infrastructure project – along with many others listed in the legal text – was a national priority. The project could therefore be approved through an exceptional fast-lane procedure because it was very important for the Italian economic development.

(Member of the technical staff of the Osservatorio, fieldwork interview)

The 'Legge Obiettivo' has essentially deprived our majors of any decision-making power on their own territory. The government decided the project and imposed it. Listing the Lyon-Turin project in the 'Legge Obiettivo' allowed promoters to

abstain from the traditional decision-making procedure and from the dialogue with the territory. That's what the 'Legge Obiettivo' really is.

(Member of the Piedmont Regional Assembly, fieldwork interview)

Thanks to the 'Legge Obiettivo', some infrastructure projects can be approved by the government without being obliged to comply with the traditional system of checks and balances. Since the preliminary phase of project design, this law facilitates the access to financial resources.

(Member of the Italian Senate, fieldwork interview)

Through this law, the Italian Parliament mandated the government to realize several infrastructure projects listed in the legal text itself. It instituted new decision-making rules introducing a fast-lane procedure to facilitate the accomplishment of LO-listed projects. These new rules concentrated all decision-making power in the hands of an inter-ministerial body, called *Comitato Interministeriale per la Programmazione Economica* (CIPE). Indeed, if a project was listed in LO, then the CIPE was empowered to approve it by majority. There was no legal requirement of involving local citizens and authorities. The only constrain was to acquire the non-binding opinion of local authorities concerned by planned projects. Thanks to LO, the CIPE became the main authorizing agent entitled to divert resources towards projects deemed by the government of priority importance for the Italian economy.

6.6 De-institutionalization

In France and Italy, the local communities concerned by the future infrastructure felt threatened by the initiatives of the project promoters. They expressed concerns about the technical arguments in support of the project and the fairness of the public authorities in the decision-making process. To counter promoters' forms of institutional work, they produced counter forms of institutional work and, in so doing, mounted an attack of the institutional pillars of LT. In both

countries their aim was to disassociate LT's institutional pillars from their moral foundations. According to Lawrence and Subbady (2006), *disassociating moral foundations* is a particular form of work mobilized to disrupt current institutional arrangements. This form of work has the potential to disrupt institutions by disassociating the practice, rule or technology from its normative foundation as appropriate within the relevant organizational context.

Oppositions developed differently in the two national contexts. In the early-1990s, the Italian local populations of the Susa Valley gave birth to a grassroots movement against LT, so called NOTAV ('NO Treno ad Alta Velocità', tr. No High-Speed Train) movement. In France the opposition of local communities slowly emerged in the early-2010s following the official audit of two French public administrative bodies - the 'Court des Comptes' and the 'Conseil General des Pont et Chaussées' – which questioned the realism of the technical studies at the basis of the project.

6.6.1 Italy

In Italy local oppositions to LT emerged in the early-1990s from the activities of a local group of citizens composed of: (1) environmental activists (most of them members of ProNatura association), (2) retired railway engineers and (3) university professors. They all lived in the Susa Valley (near Piedmont's Alps) or in Turin's surroundings. Such an experienced coalition of actors joined efforts with the local authorities and residents of the Susa valley. In so doing, the NOTAV activists rapidly evolved from a NIMBY (Not In My Back Yard) opposition to a citizen movement fighting useless expensive megaprojects imposed by the government without bottom-up participation.

The NOTAV movement has three legs: the technical experts, the people and the institutional representatives. The technical experts provide knowledge support. They study the texts prepared by the project promoters and then, through public

information sessions and events, explain them to the local people. Thanks to the information provided by the experts, the people make an idea of the project and take their decisions about the project. Decisions are taken at different levels: the committee, where citizens take decisions concerning their town; the coordination group, where they define a common agenda for all the committees; and the assembly, taking political decisions concerning the overall opposition strategy. Finally, the institutional representatives contribute to the movement by defending its position in the institutional arena, like the government or the region.

(Spokesperson of the NOTAV Movement, Assembly – Turin, 12 October 2015.

Fieldwork notes)

Thanks to this internal organization, NOTAV activists have opposed the project for about 30 years by disassociating LT from its normative foundations as appropriate to the their cognitive and regulative contexts. Their aim was to show that the promoters were liars and LT was not a good project (normative pillar) because it could not be justified on the basis of scientific evidence (cognitive pillar) and its decision-making rules were undemocratic (regulative pillar).

They know very well that there is no freight traffic and that the decline has started about 20 years. They know that traffic won't develop further between the Italian, French and Spanish economies because these are advanced economies, and so on. They lie knowing that they lie. [...] High-speed railways have been a great burden for our public debt. They have favored corruption and have been the largest distributor of bribes between political parties and industrial groups.

(Expert of the NOTAV movement, fieldwork interview)

The volume of freight traffic across the Alps has decreased and is clearly below the capacity of the existing infrastructures. [...] This project does make sense. The reality has confuted all technical and economic forecasts. The passenger traffic – expected to triple between 1992 and 2002 by the project promoters – declined by

20%. It really doesn't make sense to waste our resources to invest in these massive projects. They have disrupting environmental costs and they respond to no problem in terms of traffic increase and infrastructure capacity.

(NOTAV Brochure '100 ragioni contro la TAV in Val di Susa', released in 2004)

The Legge Obiettivo came into force in the late December 2001. It formalized [the exclusion of local communities] and made it a legal rule. The local administrations (and the communities of people they represent) have been totally excluded from the decision-making of projects deemed of strategic national interest by the government. In a nutshell, the Legge Obiettivo transfers any type of decision - on the urban planning, the geographical localization of the infrastructure, and the public utility of large infrastructure projects - to the Prime Minister (and to the CIPE). No authorization or approval is required to other local or central administrations.

(Final statement of the Permanent Peoples' Tribunal met in Turin in 2015)

From the early-1990s, Transpadana's advocacy work had promoted LT by highlighting the strategic importance of the new infrastructure for the development of the Italian economy and transport system. NOTAV activists argued that these normative foundations were lies as no scientific argument could support this claim. The expert group of the movement produced empirical evidence that, contrary to the outcomes of promoters' theorization, the traffic flows between Italy and France were far from reaching the saturation point of the existing line. Indeed, according to their studies, the traffic between Italy and France had continuously decreased from the late-1990s. For this reason, they rather considered the project as a burden for Italian taxpayers. From their perspective, the decreasing traffic was symptomatic of a lack of transport demand between the two countries. Therefore, investing in a new infrastructure was wrong as no positive return on the investment could be realistically expected. Italian taxpayers will have paid in the future for such inconsiderate project.

Throughout the project life-cycle, NO TAV activists - backed by the local authorities of the Susa Valley – often manifested their dissent to the promoters. Nevertheless, promoters ignored them as the decision-making framework provided by the regulative pillar (LO) enabled them to take any decision without having the support of local stakeholders. This particular situation led NOTAV activists to denounce the regulative foundations of LT by betraying the questionable democratic nature of LO.

6.6.2 France

In France, local oppositions developed in the suburbs of Lyon, the Lower Dauphiné region and the Avant-Pays Savoyard. Activists from these geographical areas merged together in an association known as la Coordination Ain Dauphiné Savoie (CADS). Project promoters did not ignore them. They kept them informed – e.g. by sending them informative brochures of planned infrastructure – and involved them in public consultations since the early stages of the theorization process (e.g. 1992 public debate on the economic and social interest of the project). Such an open approach to local oppositions allowed promoters to control the dissent by adapting it to their agenda.

In Italy, the decision-making is very autocratic. There is no debate and the State imposes its decision to the local populations. It is really a confrontation between the State and the populations. In France, they have understood that oppositions must be institutionalized [...] ‘I stretch out my hand to you so that you accept the project I will impose to you’. This is anyway the French conception of participatory democracy.

(Spokesperson of the French opposition groups, fieldwork interview)

Italian difficulties were due to the lack of consultation with local populations against the high-speed line. In France the situation was different because there was is an opposition within the techno-structure of the state.

(Public officer of the European Parliament, fieldwork interview)

In France, everybody knows that this project will be a failure. The main difference between Italy and France is that in France there are bodies of the public administration – like the Court des Comptes and the Conseil General des Pont et Chaussées – that audited Lyon-Turin and did not considered it a good project.

(Researcher of the University of Lyon, fieldwork interview)

In 2003, the ‘Conseil général des Ponts et Chaussées’ - a public administration supervising civil engineering initiatives of the French State – released a report casting doubts on the socio-economic interest of LT. Ten years later, a 2012 report (‘Référé n° 64174’) of the French Court of Audit confirmed these doubts and questioned the realism of the costs estimates and traffic forecasts of the project promoters. Intrigued by these reports, in 2012 Daniel Ibanez – an experienced business consultant from the Savoie department – decided to take part in the public consultations organized by LT promoters with the residents of the departments of Rhône, Isère and Savoie.

Daniel Ibanez understands complex economic issues and knows how to work with them. This is because of his professional background. [...] Since he joined us things have changed a lot. He has skills that others among us do not have: he is able to produce analyses and conduct technical studies. We needed someone with his profile. If he had not joined us I would have surrendered.

(Member of a French opposition group, fieldwork interview)

During the public consultations, residents were provided with detailed information about the landed properties that would have been affected by the future railway line. Vis-à-vis the concrete opportunity to see these properties either confiscated by public authorities or devalued because of their proximity to the infrastructure, residents organized under the leadership of Mr Ibanez. Thanks to its expertise,

Mr Ibanez developed technical and legal arguments disassociating LT from its normative foundations. His aim was to show that the promoters were liars and LT was not a good project (normative pillar) because it could not be justified on the basis of scientific evidence (cognitive pillar) and its decision-making was not transparent (regulative pillar).

During the public enquiry project promoters showed us some graphs presenting increasing transport flows from France, Switzerland and Austria towards Italy up to 2008. According to their presentation, these increasing flows justified the construction of a new tunnel. This was an abuse of consciousness! We understood this later when we decided to take the same data and separately analyze them. We noticed that, of course, by aggregating all the transport flows going from Switzerland, Austria and France to Italy we could observe that they generally increased. But when we disaggregated them we could see that while Swiss and Austrian flows increase, French flows dramatically decrease since 1988. Moreover, we could also notice that today these flows are less than those in 1988.

(Spokesperson of the French opposition groups, fieldwork interview)

[We discovered] that Mr Guy Truchet was the brother of a director of the Truchet TP company, interested in the infrastructure works. The very existence of this direct family relationship prevents an inquiring commissioner from being impartial. If a commissioner is concerned by family ties, he obviously runs the risk to be reproached for dissimulation and dependence, or bias.

(“Memoire en Replique” of the French opponents, parag. 196-197, 2012)

The inquiring commissioners, the public officers under the responsibility of the Prefect, the Lyon-Turin promoters, all knew that someone of the inquiring commissioners was not entitled to sit in the public inquiry commission. All of them have deceived the public; this is today a STATE SCANDAL.

(‘Scandale d'Etat sur le Lyon-Turin’, public notice of the French opposition groups, 2015)

In the same way as NOTAV experts, Mr Ibanez produced empirical evidence that, contrary to the outcomes of promoters’ theorization, the traffic flows between Italy and France were far from reaching the saturation point of the existing line. His studies showed that the traffic between Italy and France had continuously decreased from the late-1980s. From his standpoint, investing in LT was wrong because the project promoters based the cost-benefit analysis of the infrastructure investment on inaccurate data. Under his leadership, French opponents claimed new studies on the socio-economic as impact of LT. Moreover, they called for a new public debate on the public interest of the project that was truly transparent (e.g. independence and impartiality of one of the inquiring commissioners).

They wanted a new public debate where all concerned stakeholders could participate based on most recent accurate data on transport flows, as well as on an adequate cost-benefit analysis of the infrastructure. However, promoters considered these arguments incompatible with the implementation status of the project which had already been gone through many EU decisions and international agreements, duly ratified by the French Parliament.

6.7 Re-institutionalization

Vis-à-vis local communities’ attack, project promoters reacted to preserve the planned design of LT. To this end, they introduced new institutional practices aimed at restoring LT promoters’ control over the process of project

implementation. They primarily used two forms of institutional work: *mimicry* and *deterrence*. Actors attempting to create new institutions have the potential to leverage existing sets of taken-for-granted practices and rules, if they can associate the new with the old in some way that eases adoption: one way in which this is done is through mimicry (Lawrence and Subbady 2006). Deterrence is a different form of work which focuses on establishing coercive barriers to institutional change. It involves the threat of coercion to inculcate the conscious obedience of institutional actors (Lawrence and Subbady 2006).

Ongoing oppositions at the local level resulted into major delays of the project implementation throughout the 2000s and 2010s. These delays led the European Commission to put pressure on the Italian and French national governments and threaten to reduce its financial support to LT if the timely implementation of the project was not assured. Within this context, the project promoters decided to increase their control over the project in order to secure the future funds. In Italy, they first used mimicry in the mid-2000s to appease local stakeholders' requests of participation and, then, drew on deterrence in the early-2010s to crush their demonstrations against LT. In France, they resorted to deterrence in the early-2010s to discourage Mr Ibanez from organizing further the French opposition.

Despite local oppositions, in the 2000s Italian promoters did not stop advancing the project. In 2005 they sent expropriation letters to the residents of Venaus, a village in the Susa Valley concerned by the construction of a geognostic tunnel. Vis-à-vis promoters' obstinacy, Venaus residents occupied the construction site. As a response, the police violently evacuated them to let the promoters start the geognostic works. The images of this police operation circulated all around the country and, two days later, 30000 people assembled in Venaus, removed the enclosures from the construction site and occupied it again. Their request to the project promoters was to involve local communities and authorities in the

decision-making of the project and open a debate on the technical reasons at the basis of LT.

Vis-à-vis NOTAV's mass mobilization, in 2006 the incumbent government announced to stop the LO procedure and created a new extraordinary body, the *Osservatorio Torino-Lione* (OTL). OTL's objective was to establish a dialogue between LT proponents and opponents. The government presented it as a bi-partisan body where the most contested technical aspects of the project could be debated. It was composed of experts appointed by the local authorities of the Susa Valley and the project promoters. However, the fieldwork revealed that these initiatives of the government were a mere mimicry exercise. On the one hand, the LO procedure never stopped and OTL decisions were approved by the Chairman, on behalf of the government, without the support of local representatives. On the other, a truly technical debate about LT inconsistencies never occurred in the OTL as promoters' experts preferred to follow a political logic rather than a scientific one.

They said 'yes it's true that the existing line is far from reaching the saturation point, but we need to do our traffic forecasts on the basis of future flows'. The experts appointed by the project promoters shifted [from the retrospective approach] to the prospective approach. It means that, instead using past data for the traffic forecast, they formulated hypotheses on the future evolution of traffics in the future 30 years. Then, they used these hypotheses to calibrate their models which of course gave as output an increase of traffics. [...] However the hypotheses were based on inputs coming from the project promoters. [...] The experts appointed by the project promoters didn't want to discuss with us neither the validity of the inputs nor the truth of the hypotheses used in the model. This was clearly a political issue and they didn't want to step on politicians' toes. A veritable scientific debate never took place in OTL.

(Expert representing local communities in OTL, fieldwork interview)

The OTL was created by the incumbent government without suspending Law 443/01, meaning that the juridical activities connected to the LO's procedure to approve the project did not stop. During the works of the OTL, the decision-making of the project as planned in 2001 went forward. The works were chaired by an extraordinary commissioner appointed by and acting on behalf of the government. Between 2006 and 2007 the OTL hosted more than 50 meetings during which the most controversial aspects of the project were debated. Proponents' and opponents' experts had diverging opinions on the forecasting methodology (retrospective vs prospective) to be used in the estimation of the traffic flows between Italy and France. Because of existing divergent views, OTL's technical talks were taking long and the implementation of the project was delayed. Because of these delays, the European Commission warned the Italian government to apply the "use it or lose it" principle if the planned implementation of the project could not be timely assured.

[When we apply the use it or lose it principle] [...] we use a set of documents to understand whether the performance of a project is good enough to be funded again. We look at the actual expenses of the project, like for example the interim payment. We verify whether the beneficiary has spent the funds as planned in the agreements with the European Commission. If this is not the case the funds are withdrawn or granted under specific conditions.

(EU officer, INEA - executive agency of the European Commission. Fieldwork interview)

Within this context, in 2008 the Chairman of the OTL decided that it was time to stop debating the technical problems of the project and work constructively on the infrastructure design. Therefore, he unilaterally adopted a document – so called "Agreement of Pracatinat" – in the name of all OTL's participants even if Susa

Valley representatives had not signed it. This document imposed OTL members to shift the focus of their works from debating the project feasibility to project implementation.

On 28th of June 2008 the Observatory found an agreement, called 'Agreement of Pracatinat' [...] to start preliminary design procedures for the new line from the French border to Settimo Torinese. Even though the Agreement of Pracatinat was not adhered to by all local representatives in the Observatory, the Commission took the financial decision of December 2008, under the condition that the responsible authorities respect the deadlines they indicated in their grant application.

(2009 annual report of the European Coordinator)

As the deadlines to apply for a new EU financial support were approaching, the Italian government put pressure on the local authorities to tell their experts to stop debating the technical feasibility of the project and start preparing the submission file to obtain the EU's funds. The local authorities refused and, in 2010, the government publicly threatened to expel them from the OTL if they didn't declare to contribute to the implementation of the project:

The government believes that the municipalities concerned by the new line Turin-Lyon and represented in the OTL have to be redefined [...] based on the following criteria: [...] explicitly declare their will to be involved in the best realization of the infrastructure, in the framework of the best protection and development of the local territories and in compliance with the European agenda.

(Italian government, press release, 8th January 2010)

For the local communities, this press release of the government was the ultimate proof giving evidence that the OTL was a mere mimicry exercise. New decision-making structures were formally introduced without altering old practices. Project

promoters followed a decoupling strategy, as emphasized in myth theory (Meyer and Rowan, 1977). They created the OTL to conform symbolically to the external pressures for more democracy in the decision-making of the project. However, the government continued to take decisions through authoritative practices. The project promoters used the OTL to present themselves in a better light without really intending to implement it if decisions were in contrast with the national and European agendas.

Because the OTL was not able to assure any democratic participation, and because many technical issues remained unresolved, the local communities asked their experts to quit the OTL. The citizens of the Susa Valley, backed by their mayors, went back to the streets. A new season of protests and demonstrations started again.

In 2011, as a form of protest the NOTAV activists occupied another construction site in Chiomonte where some geognostic works for the base tunnel were about to start. To prevent further delays, the government resorted to the police forces which violently evacuated them to let the promoters start the geognostic works. Faced with increasing protests, the same year the government approved Law 183 which, among others, declared LT a project of strategic priority to be realized in the name of national interest. In so doing, it created the juridical conditions to mobilize permanently the army in the Susa Valley and militarily occupy the site in order to prevent any future protest against the construction works. The military power was therefore disclosed as a form of deterrence aimed at discouraging demonstrations against the project. In a similar vein, the project promoters used the judiciary power to discourage any further opposition against *Lyon-Turin Ferroviaria* (LTF), the company- equally owned by FS and SNCF – that managed the geognostic works in Venaus and Chiomonte. For example, they prosecuted one of Italy's most acclaimed writers because in 2013 he publicly defined LT a

“useless and harmful project [and it was] legitimate to sabotage [it]” (The Guardian, 27 January 2015). As referred by The Guardian (2015), LTF pressed charges against him shortly after he made these remarks. The Italian anti-terror prosecutors followed suit, claiming that the writer had publicly instigated the commission of crimes and violations intended to hurt LTF. He was accused of incitement to damage property. Finally, he was acquitted by the court in Turin in 2015.

At the same time, LTF used this logic of judiciary deterrence also in France where local oppositions were growing under the leadership of Daniel Ibanez. In 2014, the company filed a claim for defamation against Daniel Ibanez. However, upon reaching the court the lawsuit was dismissed on insufficient legal ground.

Within this renewed climate of deterrence, in 2015 the Italian government officially approved the definitive version of the project and, along with the French counterpart, submitted a new request of funds to the EU in the framework of the ongoing 2014-2020 financial program.

6.8 Discussion

How do institutional pillars shape stability and change in the complex field of megaprojects?

Institutional pillars are key factors which determine field stability and change. They contribute to stability because they help to reproduce behavior (Scott 2001): institutionalized practices may be held in place by one dominant pillar (Hoffman, 1999) or by an alignment of all three (Wicks, 2001). However, this does not prevent change from emerging as the pillars might become misaligned (Caronna, 2004) or collapse (Ahmadjian and Robbins, 2005), making deinstitutionalization more likely (Maguire and Hardy 2009).

FRANCE			
	1990s	2000s	2010s
Institutionalization	Theorizing Constructing normative networks Advocacy		
		Mythologizing Embedding and routinizing	
De-institutionalization			Disassociating moral foundations
Re-institutionalization			Deterrence

Table 6.4a

ITALY			
	1990s	2000s	2010s
Institutionalization	Constructing normative networks Advocacy		
		Defining	Mythologizing Enabling
De-institutionalization	Disassociating moral foundations		
Re-institutionalization			Mimicry Deterrence

Table 6.4b

Our study showed that a trans-national megaproject like LT may be regarded as a complex institutional field held in place by as many sets of interdependent regulative, normative, and cognitive pillars as the national jurisdictions involved. Following Lawrence and Subbady (2006) and Lawrence et al. (2009), the analysis unpacked the relational and interactive moments in the evolution of the institutional field. Our focus was thus on the actors' work to create, maintain and

disrupt the institutional pillars of LT. As showed in Tables 6.4a and 6.4b, we could identify three key phases of institutional production that through time have paced stability and change in the transnational field of LT: (1) institutionalization, (2) de-institutionalization and (3) re-institutionalization.

Our study suggests that *in the case of LT, the institutional pillars have variously stabilized the field across time. The normative and cognitive pillars played a key role in the institutionalization phase. Then, the decline of the normative pillar during the de-institutionalization phase made way for the strengthening of the cognitive pillar. Throughout this process, the regulative pillar - which had steadily supported the other pillars to stabilize the field during both institutionalization and de-institutionalization – was of crucial importance at a later stage to shape the re-institutionalization phase.*

The creation of LT initiated in the 1990s with an intense work of infrastructure theorizing (cognitive pillar) and sponsoring (normative pillar). Theorizing provided the project promoters with the fundamental technical arguments (e.g. increasing transport flows, modal shift) to justify LT from a rational point of view. These arguments presented LT as the result of a rational cause-effect chain and, therefore, as a form of truth or a fact. At the same time, project promoters sponsored the infrastructure with the support of ad-hoc normative networks whose role was to spread positive discourses reproducing the theorized truth about LT. These networks engaged in advocacy and mythologizing activities to ‘hook’ LT into the common-sense notion of good project.

Throughout the 2000s, local stakeholders felt threatened by the initiatives of the project promoters. They expressed concerns on several aspects of the project and, particularly, on the technical arguments developed by the promoters in support of the project. They thus opposed project promoters and intensively worked to show that LT was not a good project (normative pillar) because the rational arguments

developed by the project promoters were not true (cognitive pillar). Their aim was to disrupt LT by disassociating the normative foundations of the project especially from their cognitive basis. Vis-à-vis unfolding disrupting tensions, promoters concentrated their efforts on the strengthening of the cognitive pillar. They thus created new institutional fora where their experts could meet with those of local stakeholder groups and discuss with the most controversial technical aspects of the project.

Nevertheless, promoters did not succeed to impose their truth on local stakeholders. As a consequence, between the late-2000s and early-2010s oppositions increased. To stop them, project promoters relied on the strength of the regulative pillar. They thus established new rules that enabled them to police conformity and, finally, coerce compliance in the field.

How does change occur in the complex field of megaprojects?

Our study suggests that *in the case of trans-national fields like LT, change can be described as a series of overlapping national cycles of institutionalization, de-institutionalization and re-institutionalization.*

In Italy instability is very high throughout the entire project life-cycle. This is because proponents' efforts of institutional creation and maintenance (institutionalization) are based on authoritative practices which marginalize local stakeholders from the project implementation. As a response to proponents' marginalization, the local stakeholders form a grassroots movement to attack the moral foundations of the project (de-institutionalization). Their aim is to be involved in the decision-making of LT and convince proponents to stop its implementation. As a response to opponents' disruptive pressures, promoters restore their control over the process of project implementation through a mix of judiciary and military power (re-institutionalization).

In France instability is very low during the early stage of the project life-cycle whereas increases in the late stage. This is because proponents' efforts of institutional creation and maintenance (institutionalization) are based on participatory practices which favor the integration of local stakeholders in the project implementation. However, the analysis shows these practices do not prevent the emergence of oppositions. As soon as new official information against the project is released, local oppositions develop and demand promoters to stop its implementation as well as to be accountable for the newly-emerged inconsistencies (de-institutionalization). Similar to Italian context, promoters reacted to opponents' disruptive forces by restoring their control over the process of project implementation by means of the judiciary power (re-institutionalization).

In each national context, the sequence of institutionalization, de-institutionalization and re-institutionalization may be understood as a dialectical sequence of action, reaction and solution. Following Hargrave and Van De Ven (2009), we can thus describe LT implementation as a dialectical process where change emerges from interactions between proponents of current institutional arrangements and parties espousing contradictory arrangements. The new arrangements that emerge are then challenged again by proponents through counter-alternative arrangements that recycle the dialectical process. Our study also indicates that, beside the two poles of the cotraddiction (proponents VS opponents), a key role is played by third-party actors. These actors may differently influence the interaction between proponents and opponents. Our analysis shows that, beside the proponents (national governments and rail industries) and opponents (local communities) of LT, other actor groups contribute the project implementation. In Italy, during the early stage of the project, the commitment of a local lobby in the area of Turin (Tecnocity) was crucial to secure the support of public authorities to LT. In France, two

independent administrative bodies (*Cour des Comptes* and *Conseil général des Ponts et Chaussées*) contributed to the development of oppositions groups. They did so by releasing new technical information casting doubts on the project feasibility.

Coherently with this dialectical perspective (Seo and Creed 2002, Poole and Van de Ven 2004, Hargrave and Van de Ven 2006, 2009), our study on LT suggests that *change is an uncertain process whose direction depends on the interaction between proponents of current institutional arrangements and opponents espousing contradictory arrangements. The institutional order is thus a temporary truce reflecting the power relations of opposing parties. Third-party actors contribute to shape the contradictions.*

Many studies (Ford and Backoff 1988, Werner and Baxter 1994, Martin 2007) have already addressed dialectical contradictions from a management perspective. Hargrave and Van de Ven's (2009) resumed the work of these scholars into three approaches to managing contradiction: "either/or" approach, moderation and "both/and" approach. While moderation and "both/and" approaches address both poles of a contradiction, "either/or" approach focuses on only one pole. Nevertheless, moderation and "both/and" approaches are profoundly different as the latter deals with contradictory poles as they were complementary elements of a unity whereas the former frame them as competing and irreconcilable.

Our study shows that *in the case of trans-national fields like LT, the interaction between proponents of current institutional arrangements and parties espousing contradictory arrangements may vary across the national boundaries. Differences between the national forms of interaction may be described as country-specific forms of contradiction management which variously impact change in the field.*

In Italy, LT proponents might have adopted an either/or approach and marginalize the opponents since the very early-stage of the institutionalization process. According to Hargrave and Van de Ven's (2009: 125), "either/both approaches separate different poles of contradiction, and tend to deny one pole by proceeding as if that pole does not exist, or seek to satisfy one pole while ignoring, or at the expenses of the other". In France, LT proponents involved opponents in formal rituals of public consultations since the early-stage of the institutionalization process. However, as the disruptive potential of opponents' participation increased over time, participatory practices of proponents weakened. These elements suggest that in the French context proponents might have adopted a moderation approach (Hargrave and Van de Ven 2009) enabling them to live with – but not embrace or resolve – the contradiction between the competing poles.

6.9 Conclusions

What does this study has to say more broadly about the management of megaprojects?

We know from the literature (APM 2002, Flyvbjerg et al. 2003, Miller and Lessard 2000, Morris and Hough 1987) that government roles, policy frameworks, regulations and cultural beliefs have vital importance to the planning and management of megaprojects. These elements define the space in which the day-to-day megaproject activities occur.

Our study suggests that megaprojects can be better defined as complex institutional systems whose evolution depends on the rules, norms and beliefs prevailing in the national contexts involved. According to our findings, change in these systems is idiosyncratic and may result into very different country-specific institutional cycles. These cycles differ across countries because at the national levels actors have divergent objectives and mobilize different forms of

institutional work to institutionalize, de-institutionalize and re-institutionalize the megaproject.

Our study on LT suggests that institutional change in transnational megaprojects is an uncertain process whose direction may vary across the national contexts involved because, at the national levels, different institutional pillars are set in place. Differences and similarities between the national pillars may be described as country-specific configurations of institutional working practices that the field actors unfold over time in accordance with their objectives, rules or beliefs.

Therefore, our study indicates that the reality that megaproject management is the (national institutional) context, not the content, must be reinforced. As suggested by Pichault (2013), when managers' over-rely on the content they tend to prioritize planning and control activities (e.g. plans and programs, performance targets and evaluation). Change is thus understood as a linear process in which the manager has full control of over the decision-making process "from the problem definition stage onwards, before proceeding with its implementation, which is monitored using sophisticated evaluation tools" (Pichault 2013: 53). In the case of transnational megaprojects, this linear perspective may be detrimental as managers might be required to adapt their practices to the unfolding phases (creation, maintenance, disruption and restoration) of the institutional cycle. In fact, most traditional planning and control approaches are unable to cope with the diversity of viewpoints that characterize the complexity of transnational megaprojects. These approaches assume "that all the parties involved [...] fundamentally share the same values and objectives. Once these objectives are incorporated into the plan, they are not discussed again and remain unchanged from formulation to implementation and control (*principle of invariability of objectives*). [...] It is easy to understand that such a decision-making process can only take place in a relatively simple environment" (Pichault 2013: 53).

We thus suggest to the management teams of megaprojects to soften up their planning attitude and give more importance to the processes and contexts taking place around and within such complex projects. Time is also an important aspect as we see that viewpoints on and attitudes towards megaprojects may change over time as new information is disclosed. Additionally, our findings suggest that future research ought to pay more attention to the interplay between the national and supra-national levels across which the megaprojects unfold. In fact, we show that the impact of supra-national managerial initiatives vary from national context to national context in the form of country-specific institutional cycles. We suggest to the management teams of multi-level megaprojects to invest more efforts in the design of mechanisms enabling a better alignment between national and supra-national organizational processes.

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7. The Clash of Worlds: Justifications and Controversies in Trans-European Megaprojects (Essay 6)

Abstract

Neo-institutional theorists look at megaprojects as complex fields characterized by vast organizational complexity and long-lasting impact on the economy, environment and society. These are often characterized by conflicts and poor cooperation between concerned stakeholders, which may create a pool of future unresolved issues, frustration and resentment having a negative impact on performance. In this article we explore change in the field of the Lyon-Turin megaproject. This is a multilevel and pluralist field where the contradictory logics of Lyon-Turin proponents and opponents variously co-exist and evolve as a result of their different collective representations of the megaproject. Drawing on Cloutier and Langley (2013) and Patriotta et al. (2011), we use Boltanski and Thévenot's (1991) theoretical framework to understand how proponents' and opponents' contradictory logics variously co-exist across the levels of the field and generate controversies that actors try to shape at the micro-level through justification work.

Keywords: megaproject, TEN-T infrastructures, justifications, controversies, agreements, common worlds, competing logics

7.1 Introduction

Megaprojects play a key role in in world economy (Flyvbjerg 2014). Most definitions of megaprojects are provided by governments and industry directives (Hu et al. 2015). The US department of Transportation (DIOIG 2001) has provided one of the most widely accepted definitions describing a megaproject as a project with at least a 1 billion US dollar budget. Moreover, Capka (2006) also suggests that they attract a high level of public attention or political interest because of substantial direct and indirect impacts on the community, environment, and state budgets. In the context of the European Union (EU), the International Project Management Association (IPMA 2011) identified a threshold of 100 million euros as the basis for defining megaprojects across all industries. From a wider perspective, Brookes and Locatelli (2015) define megaprojects as temporary endeavors characterized by large investment commitment, vast complexity (especially in organizational terms), and long-lasting impact on the economy, the environment, and society. With regard to complexity, Marrewijk et al. (2008) have noticed that megaprojects contain a large element of technological innovation associated with high risk and characterized by conflict, uncertainty and poor cooperation between partners.

Poorly managed conflicts can create a pool of future unresolved issues, frustration and resentment which can result into performance shortcomings (Zikmann 1992). According to Whitfield (1994), successful conflict management largely depends on the recognition of the real causes of opposition - including how and why it arises. Prapatpaow and Stephen (2002) argue that conflicts encountered on large scale construction projects occur not only between people in the project team (internal conflicts) but also between the project and groups outside the project team (interface conflicts). Many scholars (Susskinds, 1985; Priscoli, 1987; Harashina, 1995) have studied interface conflicts on projects involving various stakeholders and have shown that successful conflict management can be

achieved through mutual education, as well as openness and fairness in decision making: “It is possible to convince an opposing party through sharing of information, quality argument and sound reasoning. When parties to a project are unwilling to use these approaches, conflict can get out of hand as opposing groups develop hard attitudes towards each other” (Prapatpaow and Stephen 2002: 366).

Because of these conflictual dynamics, the implementation process of megaprojects can be better understood from a dialectical perspective of analysis (Ford and Backoff 1988, Werner and Baxter 1994, Martin 2007). According to Hargrave and Van De Ven (2009), in dialectical processes, change emerges from the multiple interactions between proponents of a given arrangement and parties espousing contradictory arrangements. From this standpoint, conflicts between contrasting viewpoints are central to processes of change and it is not possible to understand the perspective of proponents without examining the views of opponents.

In the context of megaprojects, conflicts between the project team and external stakeholders (e.g. local communities, environmental activists, NGOs, etc.) are frequent. These conflicts often depends on the divergent views about the effects of a planned megaproject on community life or ways of life, on people’s relation with one another and how residents perceive and feel about communities and project-related changes (Leistriz and Murdock 1981). Indeed, people have different way of thinking depending on their personal cultural and social background which affects the way they perceive themselves, their behavior, and the surrounding reality (Al-Arjani 1995, Prapatpaow and Stephen 2002).

This article draws on Boltanski and Thévenot's (1991) theory of economies of worth and study trans-European megaprojects in the field of transport infrastructures.

7.2 Justifications and controversies: insights from the literature

One can adopt Levitt and Scott's (2016) perspective and see trans-European megaprojects as complex organizational fields. A trans-European megaproject offers a great opportunity to have insights into fields operating in multilevel (national and supra-national) and pluralist (competing actor groups) settings. From this perspective, it can be seen as a network of relationships emerging as structured and/or structuring the trans-national environment of competing local logics (Powell, et al. 2005). In this transnational environment, actors carrying out competing logics interact in a hierarchically ordered space of governance (national and supra-national) where each local order - understood as patterns of interaction reproduced in the action – is perennially established, maintained or transformed (Fligstein 1991, 2001). At the national and supra-national levels, preexisting local practices and rules - embedded in power relations between groups and cognitive structures which function as cultural frames (*habitus*) – define different local contexts with different local systems of collective action in place that change over time. In several cases, these contexts can be defined as pluralist environments where the contradictory logics of proponents and opponents of a trans-European megaproject variously co-exist and evolve as a result of the contradictions immanent in the field. We first ask: *How do actors' contradictory logics co-exist and evolve in the complex field of trans-European megaprojects? Which differences can be observed at the national and supra-national levels?*

Cloutier and Langley (2013) describe logics as bundled sets or ensembles of higher order meanings, values, norms and or rules that frame how actors make sense of the worlds around them and consequently know behave. They reflect organizing principles that help frame collective behavior within the different levels of the field. According to their own logic, some actors in the field might have good reasons to support a megaproject project, whereas others might have

good reasons to oppose it. This generates contradicting tension between proponents and opponents that may affect stability and change in the field. Hargrave and Van De Ven (2009) suggest that contradictions play a key role in the evolution of institutional fields and it is not possible to understand the logic of proponents without examining the views of opponents. By drawing on Werner and Baxter (1994) they define a contradiction as the dynamic tension between unified opposites that co-exist in a field by logically presupposing each other

Divergent logics may lead to competing moral evaluations of a megaproject. Opposing collective entities (firms, political parties, interest groups, social movements and local communities) may present competing claims about the worthiness of a project, and justify them based on different sets of moral principles. Boltanski and Thévenot's (1991) justification theory can provide useful support for interpreting controversies between collective entities with competing moral evaluations. From their perspective justifying a project, say, in economic terms amounts to taking the moral stand that money is a relevant measure of worth and ought to be privileged when projects are evaluated. However, while the project team may argue that economic considerations should come first, other external stakeholders (e.g. local communities or environmental activist groups) may take the stand that environmental concerns ought to be prioritized no matter what the cost in economic terms. This kind of conflict between economically justified arguments and those using environmental justifications is a moral controversy.

According to Cloutier and Langley (2013), Boltanski and Thévenot's (1991) theoretical framework provides valuable analytical support to investigate the structure and content of the broad-based sets of values and conceptions of the common good that shape the logics competing in the field. Drawing on Patriotta et al. (2011), this framework - later extended by Lafaye and Thévenot (1993),

Lamont and Thévenot (2000) and Thévenot et al. (2000) - allows justifications to be organized into seven logics corresponding to seven different “common worlds” or “polities”: civic, opinion, market, industrial, domestic, inspired, green and connectionist worlds or polities. It thus act as a ‘political grammar’ enabling researchers to understand how proponents’ and opponents’ contradictory logics co-existing across the levels of a trans-European field generates controversies that actors try to shape at the micro-level through justification work.

On the one hand, engineers and project managers operating in the pluralist settings of a trans-European megaproject might justify their actions using industrial arguments (i.e. better performance, optimizing processes and systems). On the other, they might also be required to justify the project in terms of civic and environmental arguments as they need to secure the support of public authorities and local environmental associations. In these situations, actors have the opportunity of critiquing other justifications by referring to the principles of their own value regime. So for instance, the policymaker might oppose engineers’ top-down planning by mobilizing civic arguments (i.e. bottom-up democracy and participation of local communities in the project). In a similar vein, environmental associations might criticize the project promoters on the basis of green justifications (i.e. preservation of the local ecosystem). These criticisms can ultimately lead to ‘state-of-worth’ controversies during which opponents question the degree to which the organizing principles appropriate to a situation are being correctly applied (Dansou and Langley 2012, Boltanski and Thévenot 1999). On the other hand, opponents and proponents may also engage in ‘order-of-worth’ controversies during which actors question the appropriateness of the principles proponents apply in a particular situation. In both cases, tests are crucial devices to overcome unfolding criticisms and reduce the uncertainty generated by the contradictory tensions between the competing views in the field. Specifically, while a test on the “order of worth” allows contradicting parties to verify the

appropriateness of macro-level organizing principles in practice, a test on the “state of worth” enables them to verify that macro-level organizing principles are properly instantiated in the empirical realm (micro-level actions).

As far as order-of-worth controversies are concerned, Boltanski and Thévenot (1999: 374), suggest a way to solve them is by setting up compromises between contradictorily coexisting worlds: “In a compromise, people maintain an intentional proclivity towards the common good by cooperating to keep present beings relevant in different worlds, without trying to clarify the principle upon which their agreement is grounded”. We therefore ask: *how do proponents’ responses to opponents’ critiques shape controversies in the complex field of trans-European megaprojects? Which differences can be observed at the national and supra-national levels?*

Tests and compromises define two different ways of reaching an agreement between contradictory parties. Agreements are important as they allow the parties to leave a critical moment and go back to the ordinary course of action. However, frequently people just drop the dispute without making new agreements. According to Boltanski and Thévenot (1999: 375), “[i]f we want to understand these puzzling endings we probably must leave the realm of justice, which depends on a principle of equivalence, in order to shift towards other logics of action which [...] put aside the reference to equivalence”. They mention different logics such as forgetting and forgiveness, but also alienation and domination.

7.3 The case

Pettigrew (1990) suggests that, when choosing the research site, social dramas or critical incidents may offer social scientists the opportunity to look inside previously shielded or ignored social systems. Following this suggestion, we have chosen to study the Lyon-Turin (LT) megaproject which is of “extravagant

dimensions and has been blocked for almost 20 years by a protest of epic tenacity and occasional violence” (Hooper 2012).

LT is a planned 270 km-long high-speed railway (HSR) line that will connect Lyon (in east-central France) and Turin (in northern Italy). The core of the project is a 57 kilometres base tunnel crossing the Alps between Susa valley in Italy and Maurienne in France. The tunnel will be one of the longest rail tunnels in the world, behind just the 57.1 km Gotthard Base Tunnel. Civil engineering works started in early-2000s with the construction of access points and geological reconnaissance tunneling, with actual construction of the line initially planned to start between 2014 and 2015: as of today, the construction of the base tunnel has not started yet. However, in 2015 the national governments signed an international agreement proving their will to go ahead with the project (European Commission 2015). According to most recent declarations, construction works should start in 2018 (Agence France Presse, 2017).

Two railway companies – *Ferrovie dello Stato* (FS) in Italy and *Société Nationale des Chemins de fer Français* (SNCF) in France – along with the two national governments and the European Commission are the main promoters of the project. According to the French Court of Audit (2012), the overall cost of the project has increased by 117,5% between 2002 and 2012 (12€ billion in 2002 and 26,1€ in 2012). LT is financed through public funds by the EU (40%), Italy (35%) and France (25%) in the framework of the EU’s Trans-European Transport Network (TEN-T) investment policy: an infrastructure policy at the supranational level whose overall objective is to improve the functioning of the European internal market through continuous and efficient transnational networks in transport flows.

Because of LT’s transnational nature, this case study is comparative in essence and provides the opportunity to examine two “polar types” (Pettigrew 1990: 275)

as the Italian site of the project illustrates low performance and the French one high performance. In fact, while in France planned objectives - construction of access points and geological reconnaissance tunneling - have been timely met by the promoters, in Italy the project has experienced implementation delays because of the strong local opposition. In the Italian context, the project has repeatedly been the objective of demonstrations by local environmental organizations and populations – backed by local authorities and intellectuals - who oppose the construction of the line for its cost, because traffic is currently decreasing, and for potential environmental and public health risks. The protests have often ended in violent clashes with the police force, permanently mobilized together with the army to defend the site which at the beginning of 2012 was declared of strategic national interest by the Italian government.

7.4 Data collection

Data for this research are based on an extensive qualitative database (Yin 2014) of interviews and documents - press releases, agreements, policy papers, third-parties studies and reports - covering a period from 1985 to 2016. They have been collected during a fieldwork which lasted 3years, from 2014 to 2016.

Since LT is a transnational investment project articulating across different jurisdictions (France, Italy and EU) and organizational entities, data collection was designed on the basis of an embedded case study methodology allowing dealing with phenomena characterized by more than one sub-unit of analysis (Yin 2003). Following this methodological framework, 79 semi-structured interviews were conducted between 2014 and 2016 with actors playing a role in the governance of the LT project. Interviews were guided by a conceptual grid of information collection using a three-layer approach where individual functions, organizations' roles and the overall system of project governance were separately, albeit interdependently, examined. Semi-structured interviews averaged 90

minutes and included 4 typologies of actors: 1) project promoters, 2) public institutional actors, 3) lobbyists, 4) local communities (Table 7.1). For the sake of clarity, the group of project promoters includes actors from both the public administrations and the railway companies implementing LT. The group public institutional actors include actors from both the political (MPs, MEPs and non-elected members of parties) and administrative (administrative staff of parliamentary assemblies and public officers of administrations concerned by the project but not implementing it directly) organizations playing a role in the story of LT. The group of lobbyists refers to those actors who attempt to influence LT- and TEN-T-related actions, policies, or decisions of officials in their daily life. The local communities refers to organized groups of citizens from the Susa Valley (Italy) and the French areas concerned by LT (suburbs of Lyon, the Lower Dauphiné region, the Avant-Pays Savoyard and the Maurienne region).

Typology of actors	Jurisdiction	N° Interviews	
Project Promoters	EU	5	18
	IT	5	
	FR	8	
Public institutional actors	EU	11	19
	IT	6	
	FR	2	
Lobbyists	EU	5	7
	IT	1	
	FR	1	
Local communities	IT	23	35
	FR	12	
		79	

Table 7.1 – Fieldwork interviews

These typologies were not decided *ex-ante*, rather they matured on the field during the interview process. Indeed, the set of interviewees was progressively constituted through snowball sampling. Following this sample strategy, we asked participants who had already been selected for the study to recruit other participants. We thus started interviewing EU's public officials in charge of the LT project and, then, trickled down across French and Italian jurisdictions up to local communities opposing it. At the end of this process, our sample included: 18 project promoters, 19 public institutional actors, 7 lobbyists, 34 members from the Italian and French local communities opposing LT. Because of the transnational nature of the observed phenomenon, interviewees issued from different jurisdictional contexts: France, Italy and EU (see Table 7.1).

7.5 Data analysis and coding

Overall strategy. We used several techniques to make sense of the longitudinal process of justification that occurred during the LT controversy. First, based on the interviews and fieldwork notes we built a chronicle of the key events and we used it to identify the main turning points of the controversy. The chronicle was constructed following Pettigrew's (1985, 1990) contextualist framework suggesting that, when studying organizational change, context process and content should be analytically considered. Second, we analyzed the fieldwork documents and quantified the orders of worth mobilized in the LT controversy. Third, we looked at how stakeholders mobilized the orders of worth. Fourth, we analyzed the distribution of orders of worth during the period considered.

Content analysis. We conducted systematic coding of the 80 documents articles with the N-Vivo software. The coding system used to classify the documents was structured according to the 'common worlds' described by Boltanski and Thévenot (2006) as well as the relevant stakeholder groups, jurisdictions (Italy, France and EU) and periods (1990s, 2000s and 2010s). To code the 'common

worlds' we followed Patriotta et al (2011) and initially developed a rudimentary list of semantic descriptors based on Boltanski and Thévenot's (2006) schematic account of common worlds. This allowed us to identify the presence of a given 'order of worth' in the text. We then expanded this original list through an inductive reading of the sample texts (e.g. by adding synonyms as well as other terms that were systematically deployed in the text to refer to a particular 'order of worth'). The semantic descriptors, and the additional words in the list, were translated in the three languages of our sample documents: Italian, French and English³⁵.

We have followed Patriotta et al (2011) and, with the help of this list of descriptors, we have coded systematically all the utterances in the transcribed texts according to the seven orders of worth. When an utterance referred to multiple worlds, it was assigned to more than one code, as suggested by Boltanski and Thévenot (2006). This first coding of the 'order of worth' was then revised to check the consistency of the coded text with Boltanski and Thévenot's (2006) original definition of each 'order of worth'.

Finally to code the stakeholders, we have assigned each of the 80 documents of our sample to one of the 4 stakeholder groups emerged during process of fieldwork interview.

Common worlds' quantification. We systematically counted the number of coded passages mentioning a given common world and, then, we divided it by the total number of codes citing the common worlds. This data provided us with the relative weight of each common world within the total amount of coexisting common worlds. We used this data to quantify the intensity of a common world's utilization in the LT dispute (Figure 7.1). We found that the most popular forms

³⁵ A full list of the English, French and Italian semantic descriptors used in the NVivo analysis for this essay is provided in ANNEX III.

of justification mobilized by LT stakeholders were based on the industrial world (cited in 35% of the coded utterances) and the civic world (34%). The connectionist, green and market worlds were used to a lesser extent (respectively 9%, 8% and 7%), while the fame (3%), domestic (2%) and inspirational (2%) were very rarely mobilized. We thus focus on the first two groups of worlds - (1) civic and industrial worlds, and (2) connectionist, green and market worlds - in order to explore the work of justification at the micro-level of analysis.

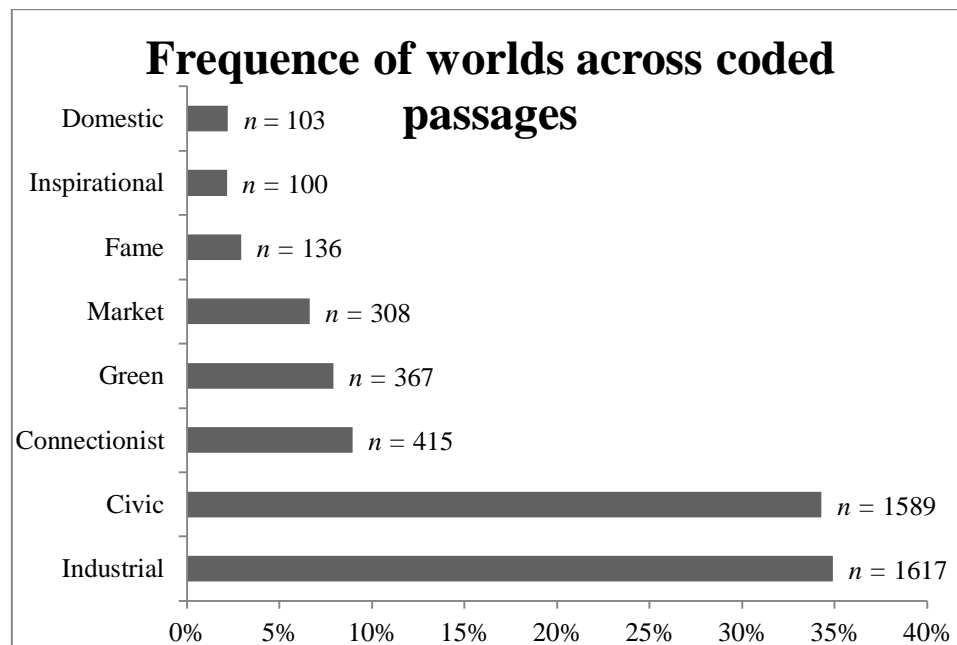


Figure 7.1 – Coded passages across worlds (% values)

We then looked at the work of justification by the various stakeholder groups involved in the controversy. We counted the occurrences of each stakeholder's voice in the documents in our dataset, identifying 4635 passages corresponding to a stakeholder expression of a justification based on a given order of worth. Our analysis suggested that the project promoters and the local communities played a dominant role in the unfolding of the controversy. As shown in the Table 7.2, the 71% of the 4635 passages in the documents mentioning a justification refer to one

of these two groups: 1536 (33%) express the views of local communities and whereas 1737 (37%) correspond to the views of project promoters. We thus give particular attention to these two stakeholder groups to explore their work of justification at the micro-level of analysis.

Table 7.2 – Coded passages across stakeholder groups and time

	1990s	2000s	2010s	<i>Total rows</i>	<i>% rows</i>
Local communities	341	423	772	1536	33%
Lobbies	21	240	115	376	8%
Project promoters	141	1121	475	1737	37%
Public institutional actors	377	259	350	986	21%
<i>Total columns</i>	880	2043	1712	4635	
<i>% columns</i>	19%	44%	37%		

7.6 Findings

7.6.1 The co-existing worlds across groups

Table 7.3 presents the coded passages across jurisdictions and actor groups. It shows that all stakeholder groups mobilized the industrial and the civic worlds more than other worlds to frame their justification work. The connectionist world was mainly mobilized by the EU-level promoters, whereas the market world was mobilized by French and EU-level promoters. The green world appeared in all actor groups; however, project promoters mobilized it to a lesser extent than local communities.

Table 7.3 – Coded passages across stakeholder groups and jurisdictions (% values)

		Civic	Industrial	Connectionist	Green	Market	<i>Coded passages for selected worlds / Coded passages for all worlds</i>
Project Promoters	EU	26%	33%	20%	8%	9%	97%
	FR	29%	42%	6%	7%	8%	92%
	IT	36%	40%	8%	6%	1%	91%
Local Communities	FR	59%	26%	0%	9%	2%	96%
	IT	33%	37%	1%	12%	4%	88%

* Cell color legend
40% ≤ X
30% ≤ X < 40%
20% ≤ X < 30%
10 % ≤ X < 20%
5 % ≤ X < 10%
X < 5%

7.6.1.1 Project promoters

Tab. 3 shows that, across all jurisdictions involved, the industrial world was most often mobilized by the project promoters in their justification work. Defined by science and technology, the industrial world encompasses the values of efficiency, productivity, reliability and performance (Boltanski and Thévenot 2006). Judgement in the industrial world centers on the question of effective functioning and involve a commitment to progress and development. LT is described as a missing link of the future trans-European transport network. It is aimed to promote and strengthen seamless trans-European transport chains for passenger and freight. In so doing it contributes to close the gaps between Member States' transport networks and remove the bottlenecks that still hamper the smooth functioning of the internal market. Both Italian and French promoters considered that there was a bottleneck between Lyon and Turin because the existing infrastructure imposed strong limitation on transport operations and would have soon reached its saturation point as an effect of the increasing traffic demand between Italy and France.

Market justifications were also mobilized. As explained by Cloutier and Langley (2013), in this world the law of the market prevails, and actors deemed worthy are those who know how to take advantage of it and reap its rewards. Wealth is an end market opportunities are objectively and unemotionally identified (Boltanski and Thévenot, 1991). From the standpoint of project promoters, a new HSR connection between Italy and France can considerably improve the quality of the transport service for passengers by shortening the journey times. HSR systems are deemed to attract new transport demand for passengers and freight and, thus, contribute to make railway services more competitive than those provided by roads and airways on medium and long distance trips between Italy and France. As a consequence, LT can have a positive impact on the modal shift from roads

and airways to railways. Table 3 shows that Italian promoters mobilized this world less than French and EU ones. This was because until the 1990s FS (the Italian railway company) had a deep-rooted corporate culture considering rail transport as a universal public service rather than a commercially driven service (European Conference of Ministers of Transport [ECMT] 2005, Drew and Ludewig 2011). In fact, as we explain further in section 6.2.2, during the first years of the project life-cycle FS' top management did not support it.

Because of its positive impact on the modal shift, LT is also presented as a green project. In the green world environment is a key themes and nature-harmony, preservationism and sustainability are deemed supremely worthy (Thévenot et al. 2000). Project promoters consider rail to be a 'green' mode of transport, at least 'greener' than cars and airways in terms of its relative impact on climate change. According to them, LT can lead to an annual reduction of carbon gas emissions around 3 million tons as an outcome, which is comparable to the CO₂ emissions produced by a city of 300.000 inhabitants. Thanks to the relocation of 1 million lorries from the road to the railway, LT can have a positive impact on the environment.

For all the above-mentioned arguments (industrial, market and green), European and national promoters have deemed LT a project of collective interest and earmarked financial resources to realize it. The project has therefore undergone, at both European and national levels, official approval processes with ministries, parliaments, regional assemblies and municipality councils involved. Drawing on Boltanski and Thévenot (2006), Patriotta et al. (2011) define the civic world as the political environment of a given community and mobilizes the registers of representativeness, legality, officialdom. The state of worthiness in this world corresponds with being legal, governed, official, or authorized.

At the EU level, since 1994 LT is a key project funded by TEN-T program. This program consists of hundreds of projects whose ultimate purpose is to ensure the cohesion, interconnection and interoperability of the trans-European transport network, as well as access to it. TEN-T projects are in every EU Member State and include all modes of transport. Embedded within this supranational framework of project management, LT also reflects Boltanski and Chiapello's (1999) characteristics of the "projective city", where flexible actors are constantly working to improve their performance, as they navigate from project to project within a networked or "connectionist" world. As shown in Tab. 3, this world is mainly mobilized by EU actors in their justification work.

7.6.1.2 Local communities

Both in Italy and France, opponents mobilized industrial counter-justifications and argued that there was no empirical or scientific evidence demonstrating the need for a new infrastructure. Their core argument was about the traffic flows between the two countries involved. With the support of experts who joined the opposition movements against LT, local communities produced several studies demonstrating that the project was useless because the traffic flows were declining

Concerning the green world, they did not deny the importance of the modal shift to decrease CO₂ emissions. However, they argued that the narrow focus on CO₂ emissions as a unique impact category of the environmental effects LT was misleading. They claimed that the environmental impact assessment should consider not only the emissions related to the operational phase of the infrastructure (i.e. a comparison between saved emissions from less car traffic and released emissions from train transport), but also the global environmental impact of its entire life-time including both construction and maintenance phases. Therefore, they argued that the assessment should have accounted not only for

direct but also indirect costs such as, for example, those related to the storage of the excavated material.

Because of the above-mentioned concerns, the local communities came to the conclusion that the project could not be considered of public interest. Therefore, they increasingly attacked LT civic justifications and argued that it was a waste of public money. They thus called for a new public debate where the unveiled environmental and industrial inconsistencies could be duly addressed on the basis of more transparent and democratic decision-making procedures.

7.6.2 The dynamics of worlds across jurisdictions

7.6.2.1 France

When LT emerged in the 1990s, promoters' justifications mainly framed the project into the industrial and market worlds (Figure 7.2). LT was presented as an engineering project that would have made railways more competitive than other transport modes – namely airways and roadways - by improving the transportation services, for both passengers and freight, between Italy and France:

Thanks to a new base tunnel of about 54 km under Mont Cenis, this link will not only ensure the connection of high-speed French and Italian networks, but also creates a new high-performance route for freight traffic. [...] With the ability to offer increased transport quality, high-speed rail renews the competition between modes of transportation. [...] The gradual realization of the projects of the master plan would result in a profound change in the railway supply in France, thanks to the considerable time savings it would provide to customers.

(SNCF, National Master Plan for the Development of TGV Lines, 1992)

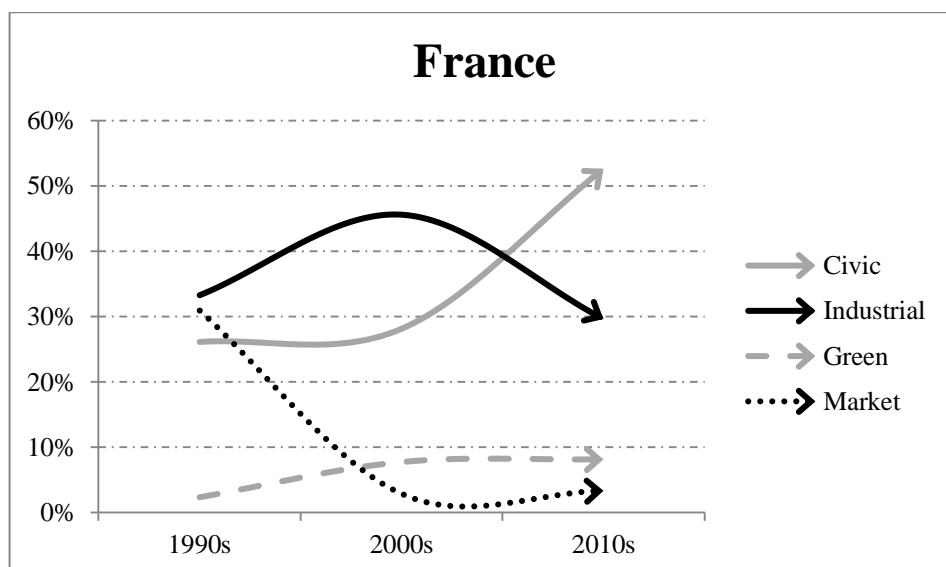


Figure 7.2 - Passages coded across jurisdictions and time.

The idea of a HSR cross-border infrastructure between Lyon and Turin dates to the late 1980s when SNCF's planning department highlighted that the transport service provided by the historical railway line was affected by technical shortcomings. Primarily, there was a problem of capacity that could be solved by increasing the loading gauge. Secondly, there was a problem related to the gradient of the old line, which was about 30% (three times higher than the recommended value) and imposed strong limitations on operation and higher additional power costs. Based on these justifications, SNCF planned the construction of a new HSR line to connect Lyon and Turin. The core of the initial project was a 54 km base tunnel crossing the Alps between Susa Valley in Italy and Maurienne in France. The planned line would have dramatically reduced the gradient line by crossing the Alps at the height of 400m – instead of the 1200m of the historical line. The railway connection was designed to adopt a HSR technology allowing trains to move at 220 km/h. On the one hand, the new line would have considerably improved the quality of the transport service for passengers by shortening the journey times. On the other, its reduced gradients

and much wider curves compared to the existing line will have allowed heavy freight trains to transit between the two countries at 100 km/h and with much reduced energy costs. For all these reasons, SNCF included LT in its Master Plan for the construction of HSR Lines in France.

In the early-1990s, local oppositions to the project developed in the Lower Dauphiné region and the Avant-Pays Savoyard. At this initial stage, opponents did not criticize the technical and economic foundations of the project but simply expressed concerns about the impact of LT on the landed properties affected by the future railway line. Project promoters did not ignore them. They informed – e.g. by sending them informative brochures with technical details about LT – and involved them in public consultations since the early stages of the project - e.g. in 1992 they organized a public debate on the economic and social interest of the project.

The interviews we have conducted with the members of the local opposition groups reveal that, in some occasions, the project promoters secured the support of local communities by swindling them:

We can take the example of the noise pollution. The French government [...] wanted to show us that [TGV trains] do not produce any noise. We accepted. A group of politicians and engineers was with us. We were about 70 people. We arrived by car to a TGV line. The engineers had some instruments to measure the noise. When the train passed the noise was around the 60 decibels. Only later we understood that they swindled us. We were close to a train station and [when the trains approach a station] do not travel at high speed.

(Member of a French local opposition group, fieldwork interview)

As showed in Figure 2, throughout the 2000s, actors' justifications continued to appeal to the industrial world but relocated the project from the market to the

green and civic worlds. The opposition of local communities led the project promoters to elaborate more on issues related to the public interest of the project and its environmental impact on the concerned areas. On the one hand, LT was thus presented as an ambitious engineering project that would have made railways more environmental-friendly. On the other, it made the object of formal procedures of public consultation allowing the local communities to participate and express their points of view in the decision making of the project.

French rules for the decision-making of large infrastructure projects in France have their source in a codified administrative procedure – so called ‘Enquête Publique’ - that obligates the project promoters to undertake public consultations with local communities and citizens. They are required to disseminate information to these local stakeholders and organize public meetings to explain them their stakes in the project. They have to report their conclusions to a public inquiry committee appointed by an administrative tribunal. The latter then examines, validates and sends these conclusions to the ministry who decides whether the project can be officially declared of public interest. As showed in the following interview statement, promoters might be confronted with the opposition of local stakeholders that perceive the project as a threat to them and their territory:

So there was the opposition of [Villarodin-Le Bourget], which forced us to redo a public inquiry for this municipality. We had to clarify the impacts of the project on this area. After that, a new prefectural order was approved to complete the decree of public utility we had already approved. Oppositions were due to the drainage of local water sources, and the risks associated with the storage of the excavation material.

(Public officer, Ministry-level administration, fieldwork interview)

As explained by this public officer, between 2002 and 2007 a long process of public consultation took place in Villarodin-Le Bourget (Maurienne region).

Protests developed in this town because local people were worried about the environmental impacts of the infrastructure works - namely the drainage of local water sources, and the risks associated with the storage of the excavation material. As a response, the project promoters set up a local information point to answer the questions of local communities about the operations connected with ongoing works. Additionally, they had to organize new public consultations and provide further details about the environmental impacts of the project. In 2007 the consultations came to an end. A prefectural order came into force and declared of public interest the operation works in Villarodin-Le Bourget.

As showed in Figure 2, in the early- 2010s, actors' justifications referring to the green and industrial worlds were subsumed into the civic world. Local opponents reproached the public authorities promoting the project for the appropriateness of their conduct during (1) the environmental impact assessment (EIA) procedure and (2) the public consultations about the traffic flows between Italy and France. From the standpoint of opposition groups, the project could not be considered of public interest because the estimation of the (1) environmental impacts and (2) traffic flows associated with the new infrastructure was not transparent. They thus considered LT declaration of public utility invalid and called for a new public debate on the public interest of the project that was really transparent.

In 2012 the French Court of Audit released a report ('Référé n° 64174') that questioned the realism of the costs estimates and traffic forecasts of the project promoters. This document came out ten years after a 2003 report of the 'Conseil général des Ponts et Chaussées' - a public administration supervising civil engineering initiatives of the French State -, which casted doubts on the socio-economic interest of LT. Intrigued by these reports, in 2012 Daniel Ibanez - an experienced business consultant from the Savoie department - decided to take

part in the public consultations organized by LT promoters in the departments of Rhône, Isère and Savoie.

Daniel Ibanez understands complex economic issues and knows how to work with them. This is because of his professional background. [...] Since he joined us things have changed a lot. He has skills that others among us do not have: he is able to produce analyses and conduct technical studies. We needed someone with his profile. If he had not joined us I would have surrendered. Even Italian opponents – who have the support of engineers and lawyers - trust him. They recognize his analytical abilities.

(Member of a French opposition group, fieldwork interview)

Mr Ibanez established contacts with the experts of the Italian opposition groups and collaborated with them to examine the studies (e.g. cost-benefit analysis, feasibility studies) prepared by the project promoters. He re-elaborated some data about the traffic forecasts provided by the project promoters during a 2012 public consultation and came to the conclusion that these data were misleading.

During the public enquiry project promoters showed us some graphs presenting increasing transport flows from France, Switzerland and Austria to Italy. According to their presentation, these increasing flows justified the construction of a new tunnel. This was an abuse of consciousness! We understood this later when we decided to take the same data and separately analyze them. We noticed that, of course, by aggregating all the transport flows going from Switzerland, Austria and France to Italy we could observe that they had generally increased. But when we disaggregated them we could see that while Swiss and Austrian flows had increased, French flows had been dramatically decreasing since 1988.

(Spokesperson of the French opposition groups, fieldwork interview)

Under the leadership of Mr Ibanez, local opposition groups also questioned the validity of promoters' assessment of the environmental impact of LT. As shown in the following statement, opponents based their arguments on procedural errors relating to the incorrect application of the EIA procedure not allowing splitting the project into smaller sub-projects, otherwise the project as a whole avoids becoming subject to the EIA requirements.

Contrary to what the Minister claims, the environmental impact of the projects in question has not been taken into consideration globally. The same goes for the question of the storage of excavation materials during the realization of above-mentioned projects. The storage areas of these materials were not determined at the time of the public inquiry (even in an approximate way) and consequently, of course, the associated environmental impacts could not duly described and taken into account. The [opponents] have demonstrated that by providing statements from the decision issued from the meeting of 2nd July 2014.

(“Memoire en Replique” of the French opponents, parag. 237, 2012)

Promoters' irregularities in the conduct of the public inquiry and EIA procedures frustrated local stakeholders who had the impression that the project was pre-determined before any public involvement. As a consequence, opponents claimed new studies on the impacts of LT. They thus asked the promoters to review their estimations by using more accurate data the traffic forecasts and analyzing the environmental impact of LT as one single project. Additionally, they called for a new public debate on the public interest of the project where decision-making procedures would be applied in a truly transparent way.

The promoters considered these requests incompatible with the implementation status of the project which had already been gone through many EU decisions and international agreements, duly ratified by the French Parliament. Therefore, in 2013 the concerned ministry declared LT of public utility. Local protests did not

stop and, in 2014, *Lyon Turin Ferroviaria* (LTF) – the company in charge for the geognostic works of the base tunnel - filed a claim for defamation against Daniel Ibanez. However, upon reaching the court the lawsuit was dismissed on insufficient legal ground.

7.6.2.2 Italy

When LT emerged in the 1990s, promoters' justifications mainly framed the project into the industrial world (Figure 7.3). LT was presented as an engineering project that would have better integrated Italy in Europe. At this initial phase, promoters faced the opposition of local communities that appealed not only to the industrial but also to the green world to frame their justification work.

'Absolute priority: the need to renew transport infrastructures in Europe'. This imperative is the title of the document with which the European Industrial Roundtable (ERT) takes position to support a series of resolutions and initiatives to complete those 'missing links' which may delay the creation of the European HSR network, as well as a more efficient use of the European transport system. Particular attention has to be paid with particular to the construction of a transalpine tunnel and the Eurotunnel.

(Tecnocity, 'I progetti della Tavola Rotonda degli Industriali Europei', Document n°2, 1989)

In the late-1980s, Tecnocity – a foundation controlled by FIAT (the largest Italian automobile manufacturer founded by the Agnelli family) and IFI (an Italian investment company controlled by the Agnelli family) – was the first to support the construction of a new HSR infrastructure between Lyon and Turin. It was a local organization promoting the development of Turin, and more generally, of the Piedmont region. At that time, Tecnocity was following the initiatives of the European Round Table of Industrialists, an EU-level influential group supporting the construction of a base tunnel across the Alps to enhance the European

transport system. Within this context, in the early-1990s Tecnocity engaged in an intense lobbying activity aimed at securing the support of business organizations and political authorities to LT.

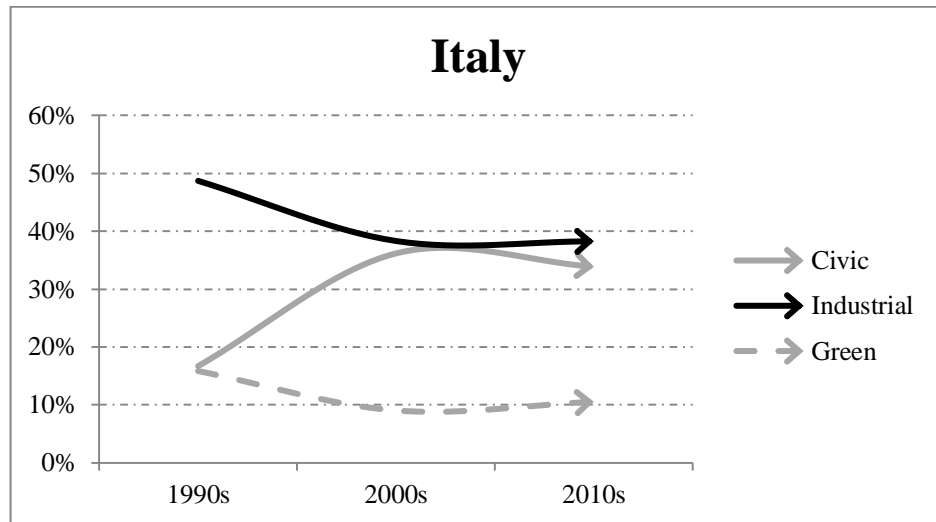


Figure 7.3 – Passages coded across jurisdictions and time.

At this initial stage, Tecnocity had weak support from FS, the Italian railway company. At that time, then FS' chairperson – Mario Schimberni – believed that the infrastructure priority was not the development of new international HSR lines but rather the upgrading of the existing national infrastructure network. Nevertheless, in 1990 the incumbent government removed Mr Schimberni from his position and replaced him with Lorenzo Necci. Mr Necci was an experienced executive with a managerial mindset and well-known admirer of the French TGV technology. He firmly believed that new investments in modern HSR systems, such as TGV systems, could have relaunched the Italian rail market and improved the quality of the transport service. Under Mr Necci's direction, in 1991 FS adopted the resolution AS/971. This resolution established *Treno Alta Velocità S.p.A.* (also known as TAV S.p.A.), a joint stock company in charge of the planning and development of the future Italian HSR network. The same year, he

went to Turin and signed a memorandum of understanding with the Piedmont region making official the intention of realizing LT. In the early-2000s, LT geognostic works started.

Throughout the 1990s, local oppositions to the project emerged in the Susa Valley with the formation of the Committee Habitat in 1992. This was originally constituted by a small group of environmental activists coming from the association ProNatura. It rapidly grew and enlarged to 60 members including railway experts and professionals, medical doctors, factory workers, lecturers of the Turin polytechnic university, as well as mayors and civil servants from the local authorities of the valley. In 1994, after studies and discussions that lasted a few years, the Committee Habitat expressed a negative view of the project. Their core argument was that it was technically useless – because of decreasing traffic flows between Italy and France - and extremely impacting for the environment of the valley. As for the environment, their concerns were about the presence of uranium and asbestos in the mountains where the tunnel was planned to be bored. They were worried for the environmental risk associated with the construction of the tunnel and, more precisely, with the storage of excavated materials. For these reasons, the Committee Habitat - backed by local mayors and civil servants - asked the project promoters to open a public debate on the construction of the new infrastructure, and namely of the base tunnel.

As showed in Figure 3, throughout the 2000s, actors' justifications relocated the project from the industrial and green worlds to the civic world.

Until the mid-2000s, the project promoters ignored these requests. This happened because in Italy megaprojects like LT were designed and implemented on the basis of Law 443/01 – so called 'Legge Obiettivo' (LO). This law allowed promoters to use a rigidly centralized top-down decision-making procedure enabling them to bypass both local authorities and civil society groups. Within

this legal framework, between 2001 and 2004, the meetings amongst the proponents multiplied but local stakeholders were most often excluded or, if invited, ignored. In parallel, local committees of citizens and demonstrations against the project grew in number. Many local authorities of the Susa Valley took sides with the organized groups of local citizens. Their focus progressively shifted from an industrial-green criticism of the infrastructure - concerning the content of the project – to a civic criticism – concerning the decision-making of the project. Their arguments were against the limitations imposed by Law 443/01. They denounced the national legislation for eliminating any involvement of the local communities and authorities in the public contracts and for avoiding any democratic control on the use of public money. Therefore, they asked the government to open a public debate where all the arguments about the project could be examined on the basis of a scientific and impartial method.

The promoters continued ignoring local protests without stopping LT planned activities. In 2005 they sent expropriation letters to the residents of Venaus, a village in the Susa Valley concerned by the construction of a geognostic tunnel. Vis-à-vis promoters' obstinacy, Venaus residents occupied the construction site. As a response, the police violently evacuated them to let the promoters start the geognostic works. The images of this police operation circulated all around the country and shocked the public opinion. Two days later, 30000 people assembled in Venaus, removed the enclosures from the construction site and occupied it again. Their request to the project promoters was to involve local communities and authorities in the decision-making of the project and open a debate on the technical reasons at the basis of LT.

Vis-à-vis this mass mobilization, in 2006 the incumbent government created a new extraordinary body, the *Osservatorio Torino-Lione* (OTL). OTL's objective was to establish a dialogue between LT proponents and opponents. The

government presented it as a bi-partisan body where the most contested technical aspects of the project could be debated. Until the late-2000s, the OTL hosted many meetings during which the most controversial aspects of the project were debated. Proponents' and opponents' experts had diverging opinions on the forecasting methodology and the variables to be used in the estimation of the traffic flows between Italy and France:

It was evident to everybody that in the past years passenger traffic had not increased at all. So promoters shift their arguments to freight traffic and, again, said us that the saturation for this type of traffic was forthcoming. We therefore made different studies [...] and it was clear that the existing freight traffic was not close at all to the saturation point of the line. [...] The experts appointed by the proponents shifted [from the retrospective approach] to the prospective approach. It means that, instead using past data for the traffic forecast, they formulated conceptual hypotheses on the future evolution of traffics in the next 30 years. They used these hypotheses to calibrate their models which of course gave as output an increase of traffics. [...] These were of course complex models developed by experts, but the hypotheses were based on inputs coming from outside the expert group. The experts received the input from the project promoters.

(Expert representing local communities in OTL, fieldwork interview)

As explained by this interviewee, local communities' experts had to deal with the inconsistent positions of the experts appointed by the project promoters. The latter changed many times their mind about the variables to be studied (passenger VS freight traffic) and the methods to be used (retrospective VS prospective forecasting). Because of existing divergent views, OTL's technical talks were taking long and the construction of the base tunnel was delayed. As a consequence, in 2008 the Chairman of the OTL decided that it was time to stop

debating the technical problems of the project and work constructively on the infrastructure design. Therefore, he unilaterally adopted a document – so called “Agreement of Pracatinat” – in the name of all OTL’s participants although Susa Valley representatives had not signed it. This document imposed OTL members to shift the focus of their works from debating the project feasibility to project implementation.

Additionally, as the deadlines to apply for a new EU financial support were approaching, the Italian government put pressure on the local authorities to tell their OTL experts to stop debating the technical feasibility of the project and start preparing the submission file to obtain the EU’s funds. The local authorities refused and, in 2010, the government publicly threatened to expel them from the OTL if they had not declared to support the implementation of the project:

The government believes that the municipalities concerned by the new line Turin-Lyon and represented in the OTL have to be redefined [...] based on the following criteria: [...] explicitly declare their will to be involved in the best realization of the infrastructure, in the framework of the best protection and development of the local territories and in compliance with the European agenda.

(Italian government, press release, 8th January 2010)

This press release convinced the local communities that the project promoters used the OTL to present themselves in a better light without really intending to implement its decisions if these were in contrast with the national and European agendas. Because the OTL was not able to assure any democratic participation, and because many technical issues remained unresolved, the local communities asked their experts to quit the OTL. The citizens of the Susa Valley, backed by their mayors, went back to the streets. A new season of protests and demonstrations started again.

As shown in Figure 7.3, in the early-2010s, actors' justifications did not change much. According to our interpretation, this happened because they dropped the dispute without making new agreements. Specifically, the project promoters left the realm of justice and shifted towards a new logic of action, domination.

In 2011, as a form of protest the NOTAV activists occupied another construction site in Chiomonte where some geognostic works for the base tunnel were about to start. To prevent further delays, the government resorted to the police forces which evacuated the activists to let the promoters start the geognostic works. Faced with increasing protests, the same year the government approved Law 183 which declared LT a project of strategic priority to be realized in the name of national interest. In so doing, it created the juridical conditions to mobilize permanently the army in the Susa Valley and militarily occupy the site in order to discourage any future protest against the construction works. The military power was therefore used to impose the project to the local communities. In a similar vein, the project promoters used the judiciary power. For example, LTF prosecuted one of Italy's most acclaimed writers because in 2013 he publicly defined LT a "useless and harmful project legitimate to sabotage" (Kirchgaessner 2015). As a consequence, LTF pressed charges against him shortly after he made these remarks. The Italian anti-terror prosecutors followed suit, claiming that the writer had publicly instigated the commission of crimes and violations intended to hurt LTF. He was accused of incitement to damage property. Finally, he was acquitted by the court in Turin in 2015.

7.6.2.3 EU

As showed in Figure 7.4, during the 1990s, the industrial, civic, connectionist and market worlds all co-existed in the justifications of EU-level actors. This long interview statement provides an example:

The European Council in December 1993 invited the Commission, assisted by a group of personal representatives of the Heads of State or Government, to lead and coordinate the speedy and efficient implementation of trans-European networks in transport and energy. [...] The task that the Union and the Member States have undertaken consists first of all in identifying and accelerating projects considered to be of priority importance. [...] The common EC transport policy is guided by two main principles which give some general indications in this respect. The first element is the market-economy orientation of this work [...] The second leading principle, which is established in Community decisions and policy communications, is that transport infrastructure costs shall be borne by the users to the maximum extent feasible. This principle is looked at as one key element to establish a fair competition between the different transport services which might lead to a shift of market shares between modes.

(European Union, report of the Christopherson High-Level Group, 1994)

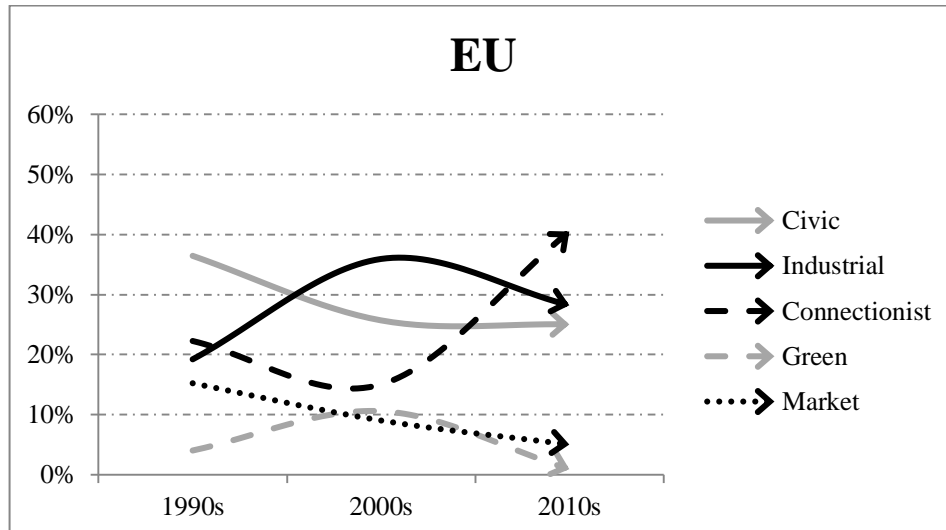


Figure 7.4 - Passages coded across jurisdictions and time.

In 1994 the high-level expert group led by Henning Christophersen, a former Vice-President of the European Commission, included LT in a list of 14

infrastructure projects addressing the missing links and bottlenecks of the future trans-European transport infrastructure network. In 1996, this list was approved by the Council of the European Union held in Essen (Germany) and, following the adoption of Decision No 1692/96/EC, officially became part of the TEN-T program. This program aimed to promote and strengthen seamless trans-European transport chains for passenger and freight. The purpose was to close the gaps between Member States' transport networks and remove the bottlenecks that still hamper the smooth functioning of the internal market.

Throughout the 2000s, because of local criticisms at the national levels, EU actors relocated the project from the connectionist, civic and market worlds to the industrial and green worlds whose importance increased in their justifications.

[The Coordinator] decided to promote a European mediation in order to try to restart the dialogue with the local inhabitants of the valley and reassure about their concerns. The Commission has therefore commissioned external experts to carry out an independent assessment of the quality and coherence of the studies carried out by LTF on the issues at the heart of the concerns of the inhabitants of the Susa Valley, namely public health, environment and the possibility of upgrading the historical line instead of building a new line.

(European Coordinator, 'Rapport annuel d'activité du Coordonnateur Européen',
July 2006)

Following the request of the European Commission, the consultancy company COWI A/S conducted a study on the issue of the traffic flows. COWI A/S experts' conclusion was that the historical line had many operational limits due to its loading gauge, gradient line, width of the curves and electrification system. They thus provided the Commission with a report ('TREN/05/ADM/S07.54919/2005 revised version 3') explaining that the historical line could have no longer been able to absorb all traffic in the medium

term. In this report, COWI A/S explicitly agreed with LTF that the saturation was likely to be achieved by 2020. Therefore, they recommended the construction of the new rail link.

At the same time, the European Commission strengthened its commitment to promote a sustainable transport system in the EU:

Over and above everything else, the fight against climate change requires Europe-wide measures to underpin Europe's leading role in the world. Transport and transport infrastructure are areas which offer considerable potential for positive contributions. [...] TEN-T policy has begun to provide responses to issues in the field of freight transport, where expected growth (an increase of 34% between 2005 and 2020) underlines the importance of introducing real co-modal solutions to overcome problems such as congestion, rising carbon dioxide emissions, infrastructure and organizational gaps.

(European Commission, Green Paper 'TEN-T a Policy Review', COM(2009) 44 final, 2009)

The decarbonisation of the European transport system became one of the EU's key environmental objectives. Within this policy framework, the modal shift from road and air to rail emerged as a crucial factor to reduce greenhouse gas emissions in Europe. Therefore, LT assumed the form of a green project which would have reduced the CO₂ emissions in the Alpine areas by shifting the transalpine cargo traffic from road to railways. In so doing, LT would have contributed to the EU strategy of reducing carbon gas emissions.

Between the late-2000s and early-2010s, delays in the planned implementation of the project increased and EU actors relocated their justifications from the industrial and green worlds to the connectionist world. The connectionist world

was thus mobilized by the EU actors to secure the accomplishment of projects funded by TEN-T.

Any project has been screened in a detailed way for each of their objectives. In case these objectives are no longer met, the related budget will be cut. As a result of the above analysis, around €311 million will be liberated to be reinjected into new calls for proposals under the current TEN-T programme.

(European Commission, press release IP/10/1391, 2010)

Money that are not properly spent can be used in the next calls to finance other projects, if the case in other countries. If EC does not reduce the funds, these funds are lost.

(Program manager, INEA executive agency – European Commission, Fieldwork interview)

In 2010, the European Commission undertook the so called ‘Mid-Term Review of the 2007-2013 TEN-T MAP Project Portfolio’, an assessment of the implementation status of projects funded by TEN-T. The assessment process looked at the actual variations of the costs budgeted by the project promoters against the costs planned in the funding decision of the European Commission. Based on this information, the Commission – with the support of external experts – revised the costs of the projects by providing a more realistic calculation of their future evolution. Revised cost predictions were used to review the list of objectives to be achieved by the promoters during the remaining funding period. If predictions had showed that the project could not been accomplished by the planned deadline, funds could have been cut and made available to other projects. In so doing, new projects could be constantly funded and the timely completion of the TEN-T program could be assured.

Throughout the 2000s, the Italian process of project implementation experienced major delays because of the increasing opposition of local stakeholders from the Susa Valley. The 2010 mid-term review made emerge these delays and, consequently, led the European Commission to reduce the TEN-T contribution by €9.2 million.

7.7 Discussion

We know from the literature (Levitt and Scott 2016, Marrewijk et al. 2008) that megaprojects may be described as complex fields characterized by conflict, uncertainty and poor cooperation between actors carrying out competing institutional logics. Most often conflicts occur between the project team and groups outside the project team (Susskinds, 1985; Priscoli, 1987; Harashina, 1995 Prapatpaow and Stephen 2002). And most often, these conflicts issue from the divergent views of opponents and proponents about the project effects on community life or ways of life, people's relation with one another and how residents perceive and feel about communities and project-related changes (Leistriz and Murdock 1981). Divergent views may depend on actors' personal cultural and social backgrounds which affect the way they perceive themselves, their behavior, and the surrounding reality (Al-Arjani 1995, Prapatpaow and Stephen 2002). Collectively, these different backgrounds may produce pluralist environments where the contradictory logics of proponents and opponents of megaprojects variously co-exist and evolve as a result of their interactions in the field.

We adopted a dialectical perspective (Ford and Backoff 1988, Werner and Baxter 1994, Martin 2007) to analyze the contradictory tensions between proponents' and opponents' logics in the LT field, a trans-European megaproject. We therefore used the Boltanski and Thévenot's (1991) common worlds to describe opponents' and proponents' competing logics.

Our findings on LT show that *different common worlds may coexist in the field of a transnational megaproject and actors may variously appeal to them to justify their positions. Actors' justification work may exhibit contradictory logics (proponents VS opponents) giving birth to state-of-worth and/or order-of-worth controversies.*

In section 6.1.1 we have showed that, at the national levels, project promoters (LT proponents) mobilized different common worlds (industrial, civic, market and green) to frame their justification work. Industrial, civic and green justifications were similarly mobilized in both countries. However, contrary to Italy, in France – in the 1990s - LT proponents also appealed to the market world. We have explained this difference on the basis of cultural differences between the French and Italian railways. Contrary to France, at that period market justifications in Italy were weak because railways were seen as a public service rather than a market service. At the supra-national level, proponents have appealed not only to the worlds already co-existing at the national levels (industrial, civic, market and green) but also to the connectionist world. We have explained this difference on the basis of the wider perspective that EU-level actors have on LT. For them, LT is one project, among hundreds of projects, funded by the TEN-T program. Their role is to provide management support (coordination and supervision) to all the projects funded by TEN-T across the Member States of the EU. In so doing, they assure the flexible and efficient use of resources as well as the timely completion of the TEN-T program.

In section 6.1.2 we have showed that local communities (LT opponents) mobilized counter-justifications to oppose the implementation of LT. They challenged LT from within proponents' industrial justifications (state-of-worth controversy) by questioning the degree to which the scientific and empiricist principles – typical of an industrial situation – were being correctly applied to LT.

They argued that there was no empirical or scientific evidence demonstrating the need for a new infrastructure. Their core argument was that the project was useless as several studies demonstrated that traffic flows between Italy and France were declining. Moreover, based on arguments from the green and civic worlds, opponents also questioned the appropriateness of proponents' industrial principles applied to the decision-making of LT (order-of-worth controversy). They thus called for a wider assessment of the project where, not only the traffic flows, but also the environmental impact of the project and its public interest were duly taken into account.

Our findings on LT show that *actors' justifications may change over time as an effect of the unfolding controversies. Trajectories of change may vary across the levels and contexts involved.*

When LT emerged, the French proponents framed it into the industrial and market worlds whereas the Italian opponents mainly appealed to the industrial world. During this initial stage, local oppositions to LT developed in both national contexts and engaged proponents in two different forms of controversies: a state-of-worth controversy within the industrial world and an order-of-worth controversy opposing the green and civic worlds to the industrial one. As a consequence, proponents, while continuing to appeal to the industrial world to face opponents' state-of-worth criticisms, they increasingly had to justify LT from a green and civic perspective to appease unfolding order-of-worth criticisms. Proponents' strategies vis-à-vis opponents' critiques varied across Italy, France and EU contexts.

In France, the proponents appeased the early criticisms of opponents by means of public tests (e.g. public consultations and public enquiries). However, at a later stage opponents reproached the public authorities involved in the decision-making of the project for the appropriateness of their conduct in the estimation of the (1)

environmental impacts and (2) traffic flows associated with the new infrastructure. As a consequence, proponents' justifications referring to the green and industrial worlds were subsumed into the civic world which became the realm of confrontation with the opponents.

In Italy, the proponents ignored the early criticisms of opponents by making them grow in intensity until the point of becoming unmanageable. After a vain attempt of appeasing local criticisms through public tests (e.g. OTL public consultations), the proponents decided to drop the dispute without making any new agreement with the opponents. They thus left the realm of justice and shifted towards the domination logic.

At the supra-national level, when LT emerged, the industrial, civic, connectionist and market worlds all co-existed in the justifications of EU proponents. Later, because of tensions between opponents and proponents at the national levels, they relocated LT from the connectionist, civic and market worlds to the industrial and green worlds. However, as delays in the planned implementation of the project increased, they relocated their justifications from the industrial and green worlds to the connectionist world. The connectionist world was thus mobilized at the EU level to secure the accomplishment of the TEN-T program by a flexible and efficient management of funded projects.

Our findings on LT show that *proponents' responses to opponents' critiques may shape the controversies in ways that differ across the levels and contexts structuring the field.*

The evolution of the controversy at the national levels suggests that addressing soon external critiques may have a positive impact on the resolution of a controversy. In the Italian context, the prolonged unaccountability of proponents to opponents' critiques erodes their credibility and undermines the civic

foundations of the project. The project appears opaque and the external stakeholders intensify their opposition. Nevertheless, addressing soon external critiques does not prevent the development of new controversies in the future. In the French context, proponents' conduct during the decision-making of the project was questioned on a civic basis by the local actors whose opposition revitalized at a later stage of LT life-cycle.

The evolution of the controversy at the supra-national level suggests that EU actors exhibit a myopic connectionist behavior. Myopia refers to the short-sightedness of managers who narrow their focus on the control of short-term objectives by neglecting longer-term ones (Mizick 2010). Our analysis shows that EU proponents narrow their focus on the progress made by national proponents against initial plans and pay little attention to the contradictory processes taking place within the national contexts. As a consequence, this narrow focus may have unintended consequences at the national levels. For example, when the local oppositions intensified in Italy throughout the 2000s, the European Commission's concerns were about the delays these oppositions provoked vis-à-vis the existing schedule of project implementation. It therefore decided to cut part of the funds made available to it and reallocate them to other projects. However, unintended consequences developed at the national level where, to prevent further delays – and thus an additional reduction of TEN-T funds –, the Italian government militarily occupied the construction site of the project. The aim was to discourage any future protest which could delay further the accomplishment of TEN-T's planned objectives. EU actors' myopic focus on the efficient and flexible management of funded projects led them to narrow their focus on performance information and divert attention from important-but-unmeasured values likely to have long term effects on trust and democracy. Moreover, we suggest that unintended consequences are likely to emerge at the national levels as an effect of supra-national myopic behavior.

Finally, our findings on LT suggest that *at the national levels, proponents of transnational megaprojects may address differently opposing parties. Differences may be described as country-specific forms of contradiction management which variously impact the evolution of the controversy.*

Many studies (Ford and Backoff 1988, Werner and Baxter 1994, Martin 2007) have addressed dialectical contradictions from a management perspective. Hargrave and Van de Ven's (2009) resumed the work of these scholars into three approaches to managing contradiction: "either/or" approach, moderation and "both/and" approach. While moderation and "both/and" approaches address both poles of a contradiction, "either/or" approach focuses on only one pole. Nevertheless, moderation and "both/and" approaches are profoundly different as the latter deals with contradictory poles as they were complementary elements of a unity whereas the former frame them as competing and irreconcilable.

In Italy, LT proponents adopted an either/or approach by ignoring the claims of the opponents during the initial stage of the project. According to Hargrave and Van de Ven's (2009: 125), "either/both approaches separate different poles of contradiction, and tend to deny one pole by proceeding as if that pole does not exist, or seek to satisfy one pole while ignoring, or at the expenses of the other". Our analysis suggests that this approach may exacerbate the tensions between proponents and opponents and, eventually, lead the former to leave the realm of justice to embrace domination logic.

In France, LT proponents adopted instead a moderation approach. According to Hargrave and Van de Ven's (2009: 125), Meyer and Rowan's (1977) decoupling is an example of moderation strategy that enables organizations to live with – but not embrace or resolve – the contradiction between the competing poles. Decoupling is the creation and maintenance of gaps between formal policies and actual organizational practices. In the French context, we see that proponents

involved opponents in formal public consultations since the early stage of LT. However, as criticisms intensified and asked for a fundamental revision of the planned project, proponents used civic justifications to reduce opponents' margin to maneuver.

7.8 Conclusion

This article suggests considering trans-European megaprojects as complex organizational fields operating in *pluralistic*, *trans-national* and *multilevel* settings: (1) pluralistic because of the co-existence in the field of divergent actor groups, each with its own legitimate set of beliefs and objectives; (2) trans-national because they may concern more than one nation-state; and, (3) multi-level because their decision making may be dispersed from the national to the supra-national level.

In our study on the case of LT, we could identify two predominant actor groups operating in the field and espousing contradictory logics - the project team proposing LT (proponents) and the local communities opposing it (opponents). Drawing on Cloutier and Langley (2013), we have used Boltanski and Thévenot's (1991) framework to describe the multiplicity of 'common worlds' to which proponents and opponents have appealed to justify their positions in the field. In so doing we have explained how multiple broad-based sets of values and conceptions of the common good co-exist in the complex field of trans-European megaprojects.

Our study suggests that, in the case of trans-European megaprojects, there can be as many sets of co-existing worlds as the levels and contexts structuring the field. These sets may be very different among them as internally different worlds co-exist.

First, differences can be observed between the two national contexts involved. For example, the analysis has showed that in France proponents' justifications mobilized market justifications to a larger extent than Italian ones. According to our interpretation, this was because of differences between French and Italian actors in terms of railway culture. Specifically we have argued that, contrary to France, market justifications in Italy were weak because railways were seen as a public service rather than a market service.

Second, differences can be observed between the national and supra-national levels. For example, actors at the EU level, unlike those at the national levels, have increasingly appealed to the connectionist world. According to our interpretation, this was because of the wider perspective that EU-level actors have on LT from their supra-national position in the field. For them, LT is one project, in a list of hundreds of projects, funded by the TEN-T program. Their role is to provide coordination and supervision to all the projects funded by TEN-T across the Member States of the EU. In so doing, they assure the flexible and efficient use of resources as well as the timely completion of the TEN-T program.

Our study also suggests that actors' contradictory logics give birth to state-of-worth and order-of-worth controversies. On the one hand, we have showed that opponents challenged LT from within proponents' industrial justifications (state-of-worth controversy) by questioning the degree to which the scientific and empiricist principles – typical of an industrial situation – were being correctly applied to LT. They argued that there was no empirical or scientific evidence demonstrating the need for a new infrastructure because the traffic flows between Italy and France were declining. Additionally, based on arguments from the green and civic worlds, they also questioned the appropriateness of proponents' industrial principles applied to the decision-making of LT (order-of-worth controversy). They thus called for a wider assessment of the project where, not

only the traffic flows, but also the environmental impact of the project and its public interest were duly taken into account.

Moreover, our findings on LT show that proponents may end controversies in the field in different ways. They can either make agreements with opponents (like in France) or just drop the dispute without making any agreement (like in Italy).

As explained by Boltanski and Thévenot (1991), tests and compromises are two different strategies to reach an agreement between contradictory parties. In the case we examined, LT proponents preferred tests to compromises as a strategy to reach an agreement with local opposition groups. In France, for example, in the early-1990s proponents organized a public debate on the economic and social interest of the project. This provided the occasion for a public test allowing proponents to explain publicly the appropriateness of LT to meet the declared civic, industrial and market benefits. Thanks to this test, proponents and opponents could clarify the principles (civic, industrial and market) upon which their agreement was to be grounded. In a similar vein, when in the 2000s opponents' green and civic criticisms against LT intensified in the Maurienne region, French proponents accepted to delay the official approval of the project and organize new public consultations with the local populations. The objective was to produce new evidence about the environmental impacts of some infrastructure works - namely the drainage of local water sources, and the risks associated with the storage of the excavation material. In so doing, proponents attempted to reinforce the environmental principles underneath LT.

Contrary to France, proponents in Italy have proved to be less open to establish an agreement with opponents. This might have happened because in Italy, unlike in France, project promoters have no legal obligation to involve local communities in the decision-making process and are thus allowed to ignore their criticisms. However, our analysis suggests that ignoring unfolding criticisms may exacerbate

the tensions between proponents and opponents and, eventually, lead the former to leave the realm of justice and embrace the domination logic with the use of military power.

To conclude, our study on LT suggests that an important aspect for the successful design and implementation of megaprojects is proponents' ability to cope with the multiplicity of worlds that contradictorily co-exist in the field. Particularly, the analysis shows that in France – where proponents have most often worked to make agreements with the opponents – resistance to change is weaker than in Italy – where proponents have most often ignored opponents' critiques. Making agreements – in this case by means of tests– with stakeholders outside the project team is thus a key factor for the smooth conduct of complex megaprojects. However, our analysis shows that agreements are instable as they may rise and fall over time. In the France, local communities' viewpoints on and attitudes towards LT change over time as new information is disclosed (e.g. 2003 report of the 'Conseil général des Ponts et Chaussées' and 2012 report of the French Court of Audit) and when new actors (e.g. Daniel Ibanez) enroll in the official decision-making procedure of the project. This suggests that the disclosure of new information in the field and/or the enrollment of new actors in the decision-making process may change the collective perception of the project and deteriorate existing agreements. Our findings also suggest that this deterioration may exacerbate opponents' resistance and lead proponents to increase coerciveness to police conformity in the field (e.g. prosecution of opponents' spokesperson).

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8. The Strategic Organization of LT and Patterns of Governance in Trans-European Megaprojects (Essay 7)

Abstract

In this study, we provide a transversal analysis of essays 4, 5 and 6. By drawing on Pettigrew's contextualism, we reflect more generally on the governance of TEN-T projects. As our study on LT shows, variations in performance (content) are determined by and determine variations in (1) national institutions' openness to civil society stakeholders (inner context), (2) supra-national intensity of supervision and control (outer context), and (3) actors' capacity of making agreements (process). We thus suggest that, from a strategic point of view, there is not a linear relationship between the content, contexts and process of change. This is rather a recursive relationship which varies over time with little predictability. As we explain, time is a key factor to understand these interactions between the content, contexts and process of change. We finally claim that in the case of complex public projects – like LT – the NPM rationalist posture may fail in understanding and organizing change. We therefore invite to think more about alternative systems based on: (1) decision-making systems widely opened to the stakeholder participation; (2) performance management systems where the plans and objectives against which performance is assessed are collectively debated and approved (bottom-up) rather than decided by the top management (top-down); (3) open dialogue between opponents and proponents.

Keywords: megaproject, TEN-T infrastructures, strategic organization, contextualism

8.1 Introduction

In the 1960s strategy was traditionally viewed as a high-level plan to achieve one or more goals under conditions of uncertainty (Ansoff 1965, Ansoff and McDonnell 1990). During the 1970s, behavioural scholars (e.g. Mintzberg 1979) criticised this traditional conception because strategy is rarely the result of one-off planned decisions. It is rather the outcome of a process shaped by conflicting interests, politics and organisational culture. They thus defined strategy as a 'pattern in a stream of decisions' in contrast with the earlier view of 'strategy as planning' (Miller and Friesen 1982, Mintzberg and Waters 1985). Their seminal works shifted the research focus from the strategy content (formulation of planned goals) to the strategy process. A process is a sequence of events that lead to an outcome (Peterson 1998, Sminia 2009) and has to be studied in its organizational, societal and political context (Pettigrew 1985, 1987, Van de Ven et al. 1999).

In a similar vein, the Strategy as Practice (SaP) school has recently suggested that strategic decisions are not simply taken at the top of organizations and implemented down through hierarchies; rather, they are influenced by many intra- and extra-organisational members whose behaviours shape the process that gives rise to the strategy. Johnson et al. (2007) consider that strategy is rarely the result of one-off decisions, but rather is the outcome of complex processes characterized by a plurality of levels of analysis, actors and dependent variables. They therefore ask "if it is possible to understand the complexity with which we are concerned through singular theoretical lenses. We may need to employ multiple theoretical lenses" (Johnson et al. 2007: 15).

There already exist examples of research initiatives (Allison 1971; Addicott and Ferlie 2007) utilising multiple theories to study decision-making and strategic change. In this regard, Pichault (2013) stresses the need for integrated multidimensional models allowing researchers to mobilise multiple theories and

grasp the multifaceted nature of strategic change. He considers that the contextualist research tradition developed by Pettigrew (1987) is well-suited to this end: “Contextualism is not an explanatory approach strictly speaking: rather, it proposes a general analytical framework which different approaches may fit into. It places the emphasis on three key concepts and their interrelations: content, context and process” (Pichault 2013: 68).

Andrew Pettigrew is recognised as a leading process researcher (Langley 2009; Sminia and de Rond 2012, Sminia 2016). His contextualist methodology was designed to conduct process research and, thus, to study phenomena that are very complex and difficult to capture through quantitative methods and statistical techniques. “His process scholarship helped lay the foundations for more sociological and qualitatively oriented management and organisation research, including, for instance, the current [SaP] movement” (Sminia 2016: 111). Pettigrew’s (1985) content-context-process model was aimed at capturing both the managerial reality of decision-making and organisational change and, then, linking them to outcomes. It allowed him to show that, from a process perspective, management reality sharply contrasts with the reality presumed by mainstream conceptions. Indeed, the process angle revealed that managerial decision-making is not an ordered and linear process of information processing and rational choice, but rather the result of conflicting interests, politics and organisational culture which, all at the same time, make management a social process, meandering and developing over time (Sminia 2016).

Based on Pettigrew’s (1985, 1987) contextualism, in the previous sections of this PhD thesis we have mobilized three different theoretical lenses to analyze the interactions between content, context and process of the LT megaproject. The analysis showed that the implementation of LT (content) has been influenced by three key variables: (1) the configuration of national institutional systems (inner

context), (2) the supra-national techniques of program management (outer context) and (3) the capability of national project promoters to make agreements with local stakeholders (process). First, we have mobilized the Neo-Institutionalist Theory to investigate the link between inner context and content - namely how national institutions influence the performance of trans-European megaprojects. Second, we have mobilized the Foucauldian Theory of Power to investigate the link between outer context and process - namely how supra-national institutions influence at distance the stakeholder interactions taking place at the national levels. Finally, we have mobilized Boltanski and Thévenot's (1991) Justification Theory to investigate the link between process and content - namely how stakeholder interactions influence the performance of trans-European megaprojects.

In this section of the thesis, we provide an integrated interpretation of these variables. First, we remind the theoretical background mobilized in this research by showing its novelty vis-à-vis the state of the art in contextualist research. Second, we recall the main contextualist features of our case by presenting the overall strategic organization of LT. Third, we describe the three variables mentioned above by highlighting how these have influenced the implementation of LT. Finally, we discuss these variables within the broad context of megaprojects and provide some concluding remarks concerning the governance of TEN-T projects.

8.2 Theoretical background: an integrated perspective

Pettigrew's (1985, 1990) method of research on change is based on contextualism, an epistemological posturing considering knowledge as context-sensitive. Contextualism is concerned with the understanding of events in their settings. It is based on Pepper's (1942) philosophy and its root metaphor is the common-sense notion of the ongoing *act in context*. According to Morris (1997:

533), Pepper's use of the term "context" drew on Dewey's notion of context as "the historical situatedness of the meaning and function of behavior". Indeed, contextualism is interested in what Pepper (1942: 232) calls the "the historic event" and, therefore, is inherently a form of longitudinal research acknowledging "the importance of temporal interconnectedness, locating change in past, present, and future time" (Pettigrew 1990: 269).

As pointed out by Pettigrew and Whipp (1991), the contextualist framework of analysis distinguishes between three dimensions of change: content, process and context. The content refers to *what* is changed as expressed in terms of objectives, purpose and goals of change. The process refers to *how* change is implemented, whereas the context refers to the internal and external environment *where* change is implemented. Pettigrew and Whipp (1991) emphasise the continuous interplay between these dimensions and hold that change is an iterative and cumulative process.

SaP scholars have levelled several criticisms against Pettigrew's contextualism and his tradition of process studies. Johnson et al. (2007) say that these studies tended to be at the fore in the 1980s and early 1990s. Then, they have come to be concerned with the systems and processes of organizations as wholes as the units of analysis (Chakravarthy and Doz 1992, Chakravarthy and White 2002), neglecting the practice that is inside such processes (Brown and Duguid 2000). During the 1970s, process strategy researchers came up with detailed analyses of activities involved in strategic decision making processes. Johnson et al. (2007) refer very good examples: the longitudinal case studies on resource allocation process by Bower (1972); Pettigrew's (1973) politics of investment decisions; and Mintzberg et al. (1976) clinical dissection of comparative decision processes. However, in the following years, process research on strategic decision-making progressively migrated to cross-sectional studies (Johnson et al. 2007) providing

categories of decision-making modes (i.e. Papadakis et al. 1998, Wally and Baum 1994) and shifting the attention from what people actually do in the real world to what they do in controlled environments such in laboratories using MBA students in experiments (i.e. Bettenhausen and Muringhan 1985). In a similar vein, other scholars (Chia and MacKay 2007, Hernes 2014, Tsoukas and Chia 2002) believe that his conception of process does not incorporate an epistemology and an ontology that are truly processual.

Several criticisms have focused on Pettigrew's conceptualization of the context. According to Sminia (2016), those who have engaged with and criticised contextualism accept Pettigrew's requirement of embeddedness but argue that his elaboration of context is uncritical because it does not question top management's legitimacy (Morgan and Sturdy 2000, Wilmott 1997). Caldwell (2005) speaks about inconsistency as Pettigrew argues that context should not be treated as either a descriptive background or a list of antecedents, which is – according to Caldwell – what Pettigrew does. In fact, even if Pettigrew (1997: 338) has pointed out that managerial action is “embedded in contexts which limit their information, insight and influence”, some scholars (Buchanan 1991, Buchanan and Boddy 1992) have noticed that his classification of context (inner and outer) do not offer adequate analytical support to understand contextual roles in the shaping of management responses. According to Caldwell (2006), the contextual dichotomy does not provide any insight into the interaction and interrelationships between the inner and outer context.

Above-mentioned criticisms seem to overlook the fact that, *strictu sensu*, contextualism is not a theory of organisational change but rather a method of inquiry allowing researchers to unpack change processes and describe them as a result of the multiple content-process-context interactions. This is the position of Pichault (2013: 68) according to whom “contextualism is not an explanatory

approach strictly speaking: rather, it proposes a general analytical framework which different approaches may fit into. It places the emphasis on three key concepts and their interrelations: content, context and process". In a similar vein, Sminia (2016: 126) refers that "Pettigrew's approach can still serve as the starting point for a research agenda in many areas, with Pettigrew's contextualism offering a well-developed process methodology that can serve as a template". Contextualism can be thus regarded as a procedural method to design and implement research projects on change processes and acquiring knowledge about these phenomena. As suggested by Pichault (2013), contextualism can be used as framework within which different theoretical lenses may be mobilized to analyse and interpret the different interactions occurring between the content, the process and the context.

First, our suggestion is that the lens of neo-institutionalism (i.e. Di Maggio and Powell 1983, Powell and Di Maggio 1991) allows understanding the relationship between context and organizational behaviour. This theoretical framework focuses on why and how organisations behave in a certain way within a given context. Neo-institutionalism views organisations as institutions which operate in an open environment consisting of other institutions: this open environment is called the institutional environment. Because of institutional peer pressure, every institution is influenced by the broader environment. The main goal of organizations is to survive in this environment and, to do so, not only they need to succeed economically, they also have to establish legitimacy within the world of institutions. Nevertheless, while the initial focus of neo-institutionalism was on how institutions guide action, over time researchers have more and more showed that action is able to manipulate institutional parameters (Holm 1995). Therefore, the stream of institutional work theorists (e.g. Lawrence and Suddaby 2006) has suggested shifting the focus of analysis on the work of actors as they attempt to create, maintain and disrupt the institutional environment. We thus suggest that

mobilising neo-institutionalist theories within the contextualist framework may help understanding how contextual roles shape change. In so doing, it allows answering those criticisms (e.g. Caldwell 2005) according to which contextualism see the context either as a list of antecedents or a descriptive background.

Second, our suggestion is that the lens of Foucault's theory of power provides useful support to develop a critical analysis of the context and question the legitimacy of managerial choices (Morgan and Sturdy 2000, Wilmott 1997). As suggested by Berdayes (2002), the Foucauldian theory provides useful insights into the nature of managerial power by shedding light on those inter- and intra-organisational ties which constrain affect individual and collective behaviour in organisations. A key point about Foucault's approach to power is that it transcends politics and sees power as an everyday, socialised and embodied phenomenon. From his perspective, power is constituted through accepted forms of knowledge, scientific understanding and 'truth': "Each society has its regime of truth, its 'general politics' of truth: that is, the types of discourse which it accepts and makes function as true; the mechanisms and instances which enable one to distinguish true and false statements, the means by which each is sanctioned, the techniques and procedures accorded value in the acquisition of truth; the status of those who are charged with saying what counts as true" (Foucault, 1980: 131). We thus suggest that mobilising Foucauldian theories within the contextualist framework may help improving our understanding of the techniques and procedures turning the socio-political context into organisational constraints shaping the individual and collective behaviours involved in the change process.

Third, our suggestion is that the lens of Boltanski and Thévenot's (1991) justification theory may provide a deep understanding of actors' practices within organizational processes. In fact, this theoretical approach offers insights into

situated disputes and the different forms of conflict which are likely to emerge among actors: it provides a very fine theorisation of the agreements, critiques and crises in which these actors may be involved. This lens is particularly important to understand the dynamics of disputes and agreements between collective entities with competing moral evaluations of the ongoing change project. On the one hand, this theory focuses on actors' discursive justifications about their practices and, therefore, allows understanding the multiple moral stances which compete in a controversy. On the other, it provides a taxonomy of practices that actors may deploy to solve a controversy. Actors may either make agreements with actors espousing competing moral stances or just drop the dispute without making any agreement (domination, forgiveness and forgetting). We thus suggest that mobilising Boltanski and Thévenot's theory within the framework of contextualism allows answering those criticisms according to which contextualist studies tend to adopt the systems and processes of organizations as wholes as the units of analysis (Chakravathy and Doz 1992, Chakravathy and White 2002), without considering the practice that is inside such processes (Brown and Duguid 2000).

8.3 The strategic organization of LT

In the framework of this research, the strategic organization of LT refers to the process of organizing change in a structured and thoughtful way in order to meet planned goals, objectives, and missions. This change can be described as *multilevel*, *transnational* and *pluralistic*: (1) multi-level because its decision making is dispersed from the national to the supra-national level; (2) transnational because, at the national level, it is implemented within two nation-states having different domestic institutions; and, (3) pluralistic because of the co-existence of divergent actor groups, each with its own legitimate set of beliefs and objectives. While the multilevel and transnational settings (Figure 8.1) describe

where change is implemented (context), pluralism refers to how it is implemented (process).

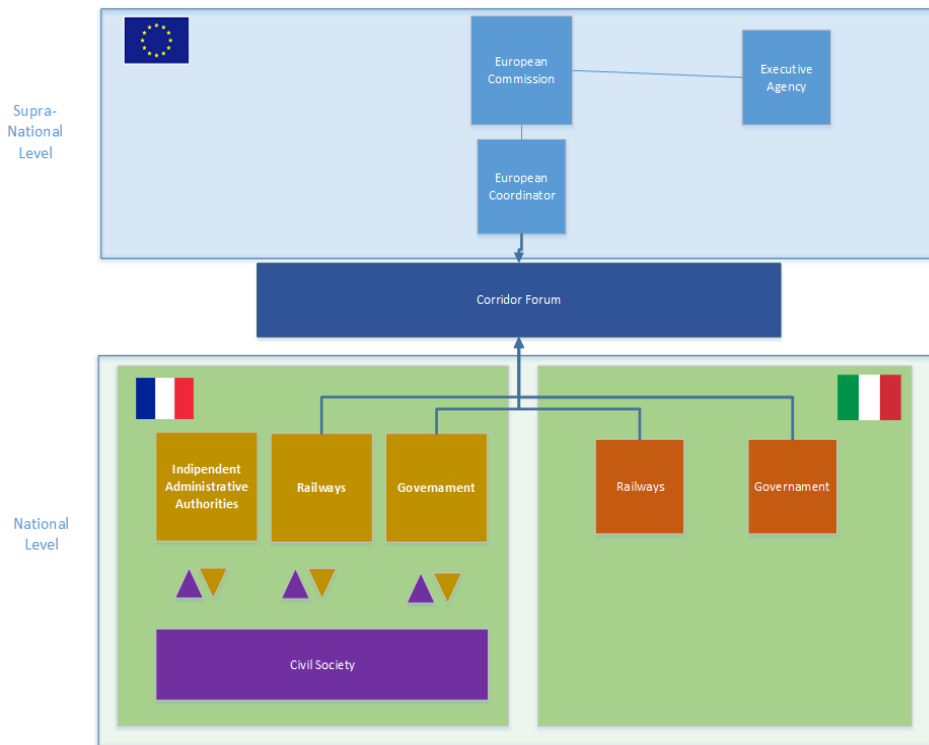


Figure 8.1 – Multi-level and transnational settings of LT (Context)³⁶

At the national level, LT articulates across two different domestic contexts (*inner contexts*) characterized by two different institutional systems for the design and implementation of megaprojects like LT. In France, the decision-making of LT is regulated by a set of administrative procedures - ‘Enquête Publique’ – that impose the railways and the government to set up - with support of independent administrative authorities - public consultations with the civil society affected by the project. In Italy, it is regulated by a 2001 *ad-hoc* law of the Parliament - Law

³⁶ Figure 8.1 was realized with the support of Adriano Frantantonio, business architect at Bizliner (Belgium).

443/01, so called 'Legge Obiettivo' (LO). This law introduced a fast-lane procedure allowing the railways and the government to bypass both local authorities and civil society stakeholders in the decision-making of LT and have preferential access to financial resources. It follows that in the Italy the decision-making power is mainly concentrated in the hands of the political apex of the state machinery, whereas in France it is more shared with the administrative authorities and the civil society.

At the supra-national level, we have considered the EU as the *outer context* of LT. Since 1994, LT is a project co-funded by TEN-T program (40% of the total cost). This program consists of hundreds of projects whose ultimate purpose is to ensure the cohesion, interconnection and interoperability of the trans-European transport network, as well as access to it. TEN-T projects are in every EU's Member State and include all modes of transport. The European Commission is the key actor at this level. Its decision-making power derives from the TEN-T investment guidelines. These guidelines take the form of an ordinary law of the EU (Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013). They regulate the allocation of the TEN-T budget from the supra-national to the national level. The national governments, along with the railway companies, send the project proposals to the European Commission which – with the support of an executive agency and 9 European Coordinators - decides whether it may be awarded the TEN-T financial contribution. On the one hand, the executive agency provides administrative support in the evaluation and selection of the project proposals. On the other, the 9 European Coordinators - appointed by and acting on behalf of the European Commission - supervise the Member States' authorities in the implementation of funded projects. Additionally, the 9 European Coordinators chair 9 corridor fora. This forum is a consultative body where the national public authorities (national governments, ministry-level administrations and regions) and industry (infrastructure managers

of ports, airports, rail and roads, as well as freight transport operators) gather to prepare and follow up a work plan. This work plan schedules the activities to be accomplished to assure the harmonized and timely implementation of all the projects composing the corridor. As shown in Figure 1, the corridor forum is a meso-level body connecting the national levels with the supra-national one. Thanks to this body, the European Coordinator has the possibility to closely monitor the performance of funded projects, as well as to closely supervise concerned public authorities and industry over the implementation process. Moreover, he/she has a high degree of control over the corridor forum as he/she supervises the redaction and approval of the work plan, detailing the actions that the forum's participants have to realize before the end of the funding schedule.

In terms of *process*, we refer to the stakeholder interactions. On the one hand, we have explored the way these interactions *have been influenced* by the outer context. On the other, we have also considered how these interactions *have influenced* the project performance within the national contexts. We have therefore focused on: (1) how EU's supra-national techniques of program management have affected the national implementation process; and, (2) how French and Italian project promoters' managerial attitudes have influenced the implementation of LT.

At the supra-national level, we see that EU's actors use a complex system of performance management to steer the TEN-T program towards the fundamental policy objectives. By resorting to the language of performance, this system enables managers to govern complex multilevel and transnational processes by representing them in the form of performance indicators. Thanks to these indicators, EU-level actors have a direct vision of and control on the implementation of individual projects taking place within the Member States. 'Effective' projects – for which the performance data suggest that they will be

completed in compliance with the planned objectives - are allowed to run their normal course until completion. By contrast, projects classified as 'ineffective' – for which the examined data suggest that they will no longer meet the planned objectives - undergo the cancellation of funds whereas those classified as 'under-effective' – for which examined data suggest that they will be completed behind the planned schedule - undergo the conditional extension of funds. In the case of LT, during the 2010 performance assessment of TEN-T-funded projects, the European Commission cut approximately €9.2 million to Italy and France because the project implementation was deemed as under-effective.

At the national level, French and Italian promoters of the project have been directly confronted with the opposition of local communities, whose protests – especially in the Italian context – have been the major cause of LT's under-effective performance. In France, they have acknowledged the existence of opponents and accepted to live with their criticisms of the project. However, their attitude was to moderate them by accepting only those questioning the way of implementing the project but not the overall feasibility of the planned infrastructure. In fact, when at a later stage the criticisms intensified and asked for a fundamental revision of the planned project, promoters decided to avoid the debate with opponents and appealed to the judiciary power to weaken their opposition. By contrast, in Italy promoters have rather ignored opponents' critiques since the initial stage of the project. This prolonged indifference vis-à-vis local criticisms has eventually exacerbated the tensions between promoters and opponents by leading the former to leave the realm of justice and use the military power to weaken their opposition.

When looking at the actual implementation of LT, one can notice that the above-mentioned contextual and processual elements have been associated with poor performance (*content*), especially on the Italian side of the project. Initial plans

fixed the beginning of the construction of the base tunnel between 2014 and 2015. In 2003, both Italian and French promoters had already designed and approved the preliminary project of the base tunnel. However, in the mid-2000s major delays emerged during the design and approval of the definitive project in Italy. While in France the definitive version was already approved in 2007, in Italy - because of local oppositions in the Susa Valley – it could not be approved before 2015. The initial objective of initiating the construction works between 2014 and 2015 was thus postponed. Nowadays, the construction of the base tunnel is expected to start in 2018 and to take approximately 10 years.

8.4 The determinants of change in the case of LT: an integrated contextualist model

From a contextualist perspective change is determined by both contextual and processual variables. Schein (1980) suggests that although organizational change is often about change in structures, hierarchy, reward systems, and technology, it is often mediated through human change. In many cases, change efforts fail because implementing actors underestimate the importance of this human, cognitive-affective nature of organizational change. In the previous sections of this PhD thesis, we have adopted a multidisciplinary perspective on contextualism and have thus explored the contextual and processual variables by mobilizing three different theoretical lenses (Figure 8.2). First, with the support of neo-institutionalism, we have studied the relationship between national institutions (inner context) and change. Second, with the support of Foucault's theory of power, we have investigated the relationship between supra-national techniques of performance management (outer context) and change. Third, with the support of Boltanski and Thévenot's justification theory, we have explored the relationship between actors' competing logics (process) and change.

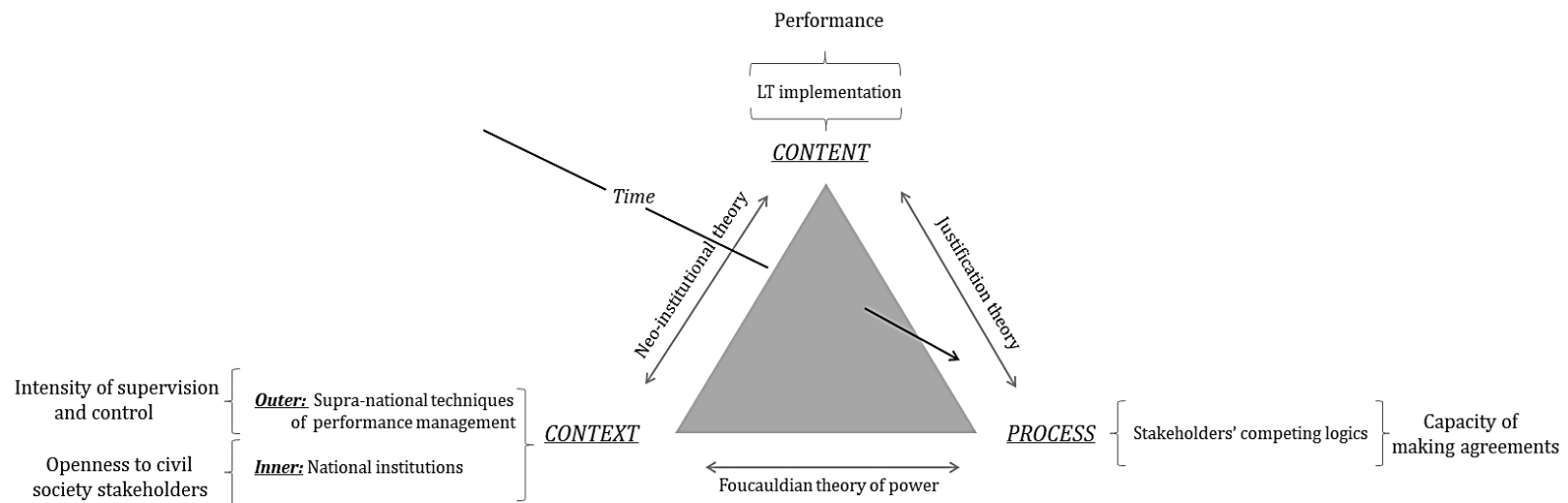


Figure 8.2 – Contextualist integrated model applied to LT case

VARIABLES	JURISDICTIONS	TIME		
		1990s	2000s	2010s
Performance (<i>content</i>)	IT	+	-	+ -
	FR	++	++	+
Intensity of supervision and control functions (<i>outer context</i>)	EU	+ -	++	++
Openness to civil society stakeholder (<i>inner context</i>)	IT	-	+	--
	FR	+	+	+ -
Capacity of making agreements (<i>process</i>)	IT	-	- +	--
	FR	+	+	-

Table 8.1 – Contextualist variables across time and jurisdictions

Legend	
++	High
+	Moderately high
+ -	Slightly high
- +	Slightly low
-	Moderately low
--	Low

The analysis in the previous essays suggests that the performance of LT (content) is variously correlated with three key variables: (1) the openness of national institutional systems to stakeholder participation (inner context), (2) the intensity of control and supervision functions at the supra-national level (outer context) and (3) the capacity of national project promoters to make agreements with civil society stakeholders (process). Table 1 summarizes how these variables have evolved through time across the levels and contexts involved.

Broadly speaking, performance – in the sense of achieving planned objectives – in France is relatively better than in Italy (Table 8.1). Additionally, we see that its trajectory in the French context is different from the Italian one (Figure 8.3). In France, performance steadily goes well until the early-2010s and then it slightly decreases. In Italy, it decreases between the 1990s and 2000s and increases during the 2010s. In both contexts, delays in the realization of plans emerge as local opposition to the project increases.

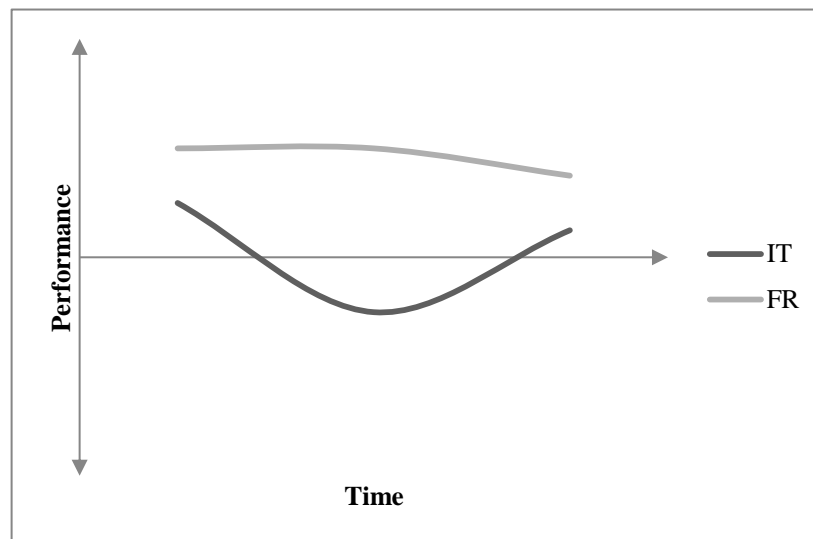


Figure 8.3 – Performance across time and national contexts (graphical display)

In France, planned geognostic works concerning the base tunnel are accomplished by the late-2000s. However, in the 2010s the opposition of local stakeholders leads the project promoters to review the plans for the development of the national route giving access to the base tunnel. As of today, while the implementation of the base tunnel timely goes on, no plan is envisaged yet for the construction of the access routes.

In Italy, planned geognostic works concerning the base tunnel stop in the mid-2000s because of the strong opposition of local stakeholders. In the 2010s,

following the military occupation of the construction site, the geognostic works re-start. As of today, the geognostic works are ongoing but they are late compared to the initial plans. Similarly to France, no plan is envisaged yet for the construction of the access routes to the base tunnel. Table 1 suggests that LT planned objectives are differently achieved within the national contexts. In France, LT proponents implement LT (1) in a context of national institutions relatively opened to civil society stakeholders and (2) by making relatively stable agreements with opponents. Conversely, Italian proponents implement LT (1) in a context of national institutions relatively closed to civil society stakeholders and (2) by finding it relatively hard to make agreements with opponents. These results seem to suggest two polar scenarios of performance implementation as in France performance is achieved through relatively participative practices whereas in Italy it is achieved on the basis of relatively coercive practices.

In the following paragraphs, we separately present the contextualist variables and then discuss their relationship with LT performance.

8.4.1 Openness to civil society stakeholders (inner context)

As mentioned, Italy and France have different institutional systems regulating the decision-making process of large infrastructure project like LT. According to our analysis, a key difference between the two national systems concerns their openness to stakeholders with divergent views of the project. The French system is more opened than the Italian one. By drawing on Hargrave and Van de Ven (2009), we have presented the French system as a moderation system whereas the Italian one as an either/or system.

Hargrave and Van de Ven's (2009) suggest that there might be three different typologies of institutionalized practices to deal with stakeholders espousing divergent views of change: "either/or", moderation and "both/and" approach.

While moderation and “both/and” approaches are opened to the requests of divergent stakeholders, the “either/or” approach is closed. Nevertheless, moderation and “both/and” approaches are profoundly different as the latter deals with stakeholders’ divergent views as they were complementary elements of a unity whereas the former frame them as competing and irreconcilable.

Our analysis shows that the degree of openness of national institutions has differently varied over time in France and Italy (Figure 8.4).

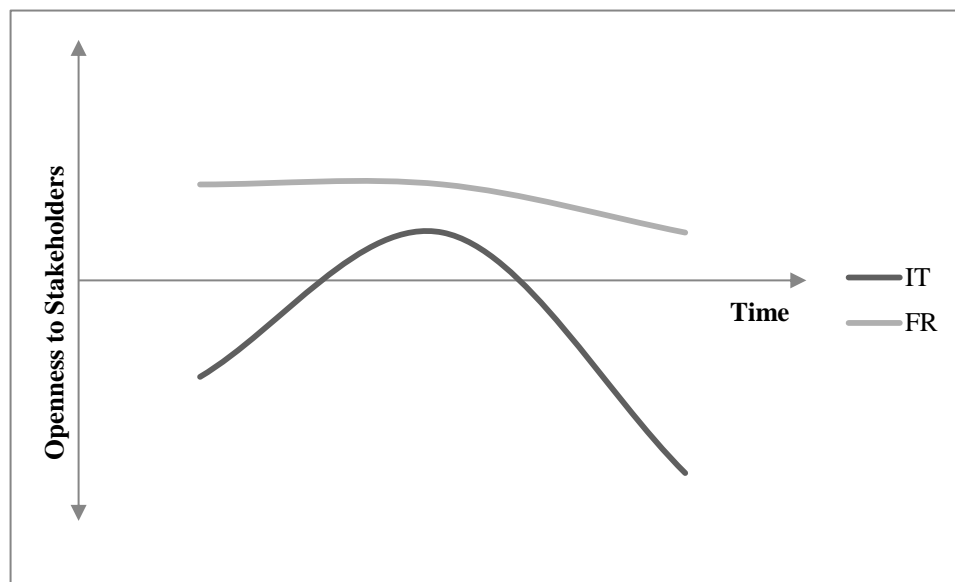


Figure 8.4 – Openness of national institutional systems to civil society stakeholders

In France openness was high throughout the 1990s and 2000s, and then it slightly decreased in the 2010s. In the 1990s, the project promoters set up a public debate with the local stakeholders on the social and economic interest of LT. In the 2000s, the ‘Enquete Publique’ procedure imposed the creation of a public enquiry committee in charge of consulting the local stakeholders before the project is officially declared of public interest. In 2010s, a group of local stakeholders – in

the light of new information available about LT – ask to stop the project implementation to do a new public debate on the social and economic interest of the project. Promoters refuse and prosecute their spokesperson while continuing the consultation with those local actors who do not oppose the implementation of LT.

In Italy openness was low during the 1990s, then – after a slight increase in the 2000s – it dramatically worsened during the 2010s. In the 1990s, local stakeholders have no place in the decision-making of LT. In the 2000s, Law 443/01 intensifies the marginalization of local stakeholders who thus strengthen their protest campaign against LT. Vis-à-vis local stakeholders' mass mobilization, the project promoters create an extra-ordinary body - so called 'Osservatorio Torino-Lione' (OTL) - to have public consultations with the representatives of the opposition groups. Nevertheless, the consultations fail because of extremely divergent views between the local stakeholders and the project promoters. In 2010s as local protests do not stop, the national government approves Law 180/2011 and permanently mobilizes the army in the Susa Valley to discourage further protests against the implementation of LT.

French national institutions are more opened to civil society stakeholders than Italian ones and, at the same time, experience a better performance in terms of achievement of planned objectives (Figure 8.5).

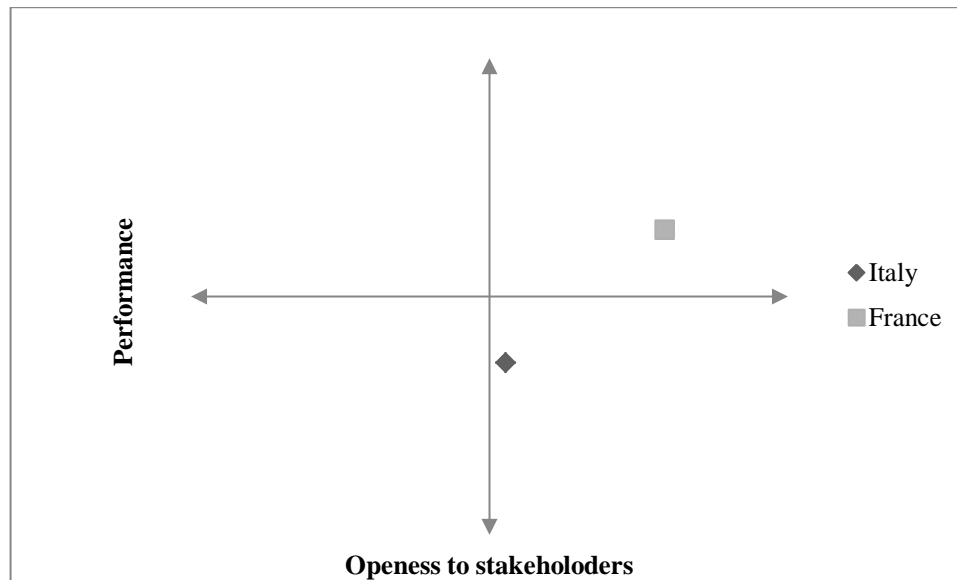


Figure 8.5 – Cross-country comparison of performance and openness to stakeholders

In Italy, performance is low because of the strong opposition of local communities. These oppositions intensify in the mid-2000s and lead to stop the project implementation. They claim more participation in the decision-making of LT. As a response, proponents reform their institutional system by making it more opened to opposing local stakeholder. The government sets up the OTL and the dialogue between proponents and opponents of LT can start. Until the late-2000s, the OTL hosts many meetings during which the most controversial aspects of the project are debated. Proponents' and opponents' experts have diverging opinions on the forecasting methodology and the variables to be used in the estimation of the traffic flows between Italy and France. Because of existing divergent views, OTL's talks take long and the accomplishment of the geognistic works for the base tunnel is delayed. Performance worsens and EU's authorities in charge of supervising and monitoring the project at the supra-national level put pressure on the national authorities to solve the problems with the local stakeholders and to

take up the implementation again in accordance with the planned agenda. At the same time, the 2010 mid-review cut 9.2€ millions to LT because, especially on the Italian side, performance is under-effective. As a response, in the 2010s proponents reform again their institutional system, but this time by making it more closed to opposing local stakeholders. Thanks to the approval of Law 183/2011, the government can militarily occupy the construction site of LT and the geognostic works can restart. Performance finally improves but at the expenses of local stakeholder participation.

In France, the project performs better than in Italy and is accompanied by a more open institutional system. This system is designed to allow proponents to integrate opponents in the decision-making of LT and adapt the project to their requests. Nevertheless, we notice that as soon as local requests jeopardize the planned implementation of the project, proponents introduce new institutionalized practices to reduce opponents' margin to maneuver (e.g. prosecution of their spokesperson).

8.4.2 Intensity of supervision and control functions (outer context)

As explained, EU's actors use a complex Performance System Management (PMS) to steer the TEN-T program towards planned objectives. This is done through indicators representing the project performance in terms of objectives achieved by state-level project promoters against the initial plans agreed with the European Commission.

PMSs are very important instruments that allow EU managers and officials to evaluate the implementation of the TEN-T program, to uncover the factors that led to success in achieving planned objectives and to decipher the strategic errors that led to failure. Particularly, our findings suggest that these instruments may be described as 'intellectual technologies' (e.g. written reports, drawings, pictures,

charts, graphs, and statistics) allowing the managerial staff to make judgements as to whether and why this or that project succeeded or failed, or to devise remedies for alleged deficiencies across all actors in the field. These technologies enable the managers to represent the TEN-T reality in a form amenable to managerial and political deliberation, argument and scheming.

By drawing on Foucault (1980) and Berdayes (2002), our analysis shows that TEN-T intellectual technologies articulate on the basis of three primary principles of panoptical control: (1) hierarchical observation, (2) examination and (3) normalization. The hierarchical observation is used to place stakeholder groups from the Member States under the supervision of nested managerial tiers and establish vertical lines of command across the organizational hierarchy of TEN-T. Examination is used to construct charts revealing performance flaws in the TEN-T's organizational structure. Thanks to these charts, the EU bodies at the top of the hierarchy inspect and overhaul the national administrative machineries managing the funded projects. Examination allows measuring performance differences between projects and planning the re-allocation of financial resources from low-performing to high-performing projects. As a final step, low-performing projects are sanctioned and conditional measures are applied to correct performance. This is the final phase of normalization during which (1) departures from correct behavior are sanctioned, (2) and rules (e.g. the use it or lose it principle) are applied to homogenize behavior across the TEN-T's structure. Our findings show that thanks to these three principles of panoptical control the top management of TEN-T maintains unity of command over the entire process of program implementation and assures the achievement of planned programmatic goals.

Our findings clearly show that, at the supra-national level, the intensity of TEN-T PMSs' control and supervision functions increases over time (Figure 8.6).

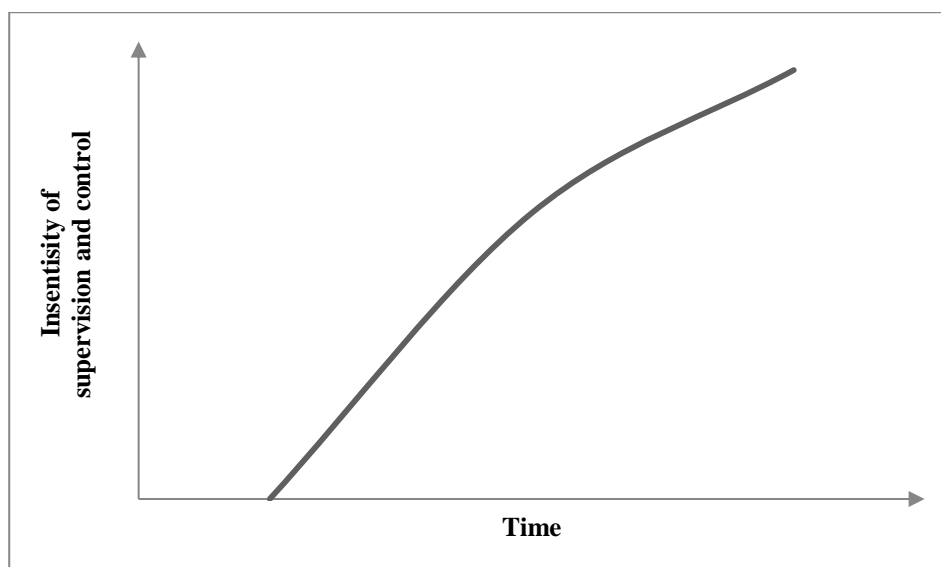


Figure 8.6 – Intensity of supra-national functions of supervision and control

In the 1990s, there is no system to manage the implementation of projects funded within the Member States. During the 2000s, the number of planned projects realized throughout the Member States fall behind the optimistic plans of the 1990s. The European Coordinator and an executive agency are thus introduced to assure the timely completion of funded projects. In the 2010s, the plans are reviewed and the EU financial contribution is concentrated on the 9 core network corridors. Each of these corridors is placed under the governance of the so called the ‘corridor forum’. This is a dedicated body where all the national industries and public authorities concerned by the construction of a corridor collaborate to the timely implementation of funded projects under the supervision of the European Coordinator.

EU’s supervision and control functions do not have a direct impact on performance – as the project is materially implemented at the national levels by Italian and French actors. However, our findings suggest that they may interfere with the implementation processes taking place within the national contexts.

EU's supervision and control intensify since the mid-2000s, when local oppositions at the national level (especially in Italy) delay the planned course of LT implementation. Vis-à-vis emerging delays, in 2010 the European Commission cuts 9.2€ millions and asks the national governments to (1) conclude, within 2010, the financial model for the implementation and operation of the project including the respective financial contribution; (2) approve the preliminary design study by the end of 2010; (3) start the geognostic works in Italy, at the latest, by the first quarter of 2011, (4) complete the final design studies of the infrastructure by the end of 2011 (see 2010 mid-term review). These conditions particularly burden the agenda of Italian proponents who, at that time, are engaged in a difficult and time-consuming effort of public consultations with the local stakeholders who oppose the project. However, the discussions take long and no common ground to restart the project implementation as required by EU conditions can be found. In parallel, the deadlines to apply for a new EU financial support are approaching. Within this context, to prevent any further delays, the Italian authorities in charge of the project mobilize the army to discourage any further opposition and, as required by the EU, attempt to restore the project performance. These findings suggest that the increasing intensity of supervision and control functions at the supra-national level may influence the implementation process at the national levels and – as shown in the Italian context - lead the project promoters to restore the planned implementation of LT at the expenses of stakeholder participation. This means that the supra-national pressures may have unintended consequences on the national institutional systems which may 'perversely' transform to marginalize opposing stakeholders and better comply with planned performance standards.

8.4.3 Capacity of making agreements (process)

Our study suggests that LT can be also described as an organizational field where the competing institutional logics of contradicting groups (proponents VS

opponents of LT) generate controversies whose evolution variously impact on change. Differences in the evolution of these controversies may be explained as a consequence of differences in national proponents' capacities of making agreements with opponents.

By drawing on Cloutier and Langley (2013), our study has used Boltanski and Thévenot's (1991) conceptual framework of 'common worlds' to describe the competing logics of LT proponents and opponents. On the one hand, the national governments and railways *propose* LT because consider it of public interest (civic world). From their perspective, LT is of public interest because it will (1) modernize the transport connections between Italy and France by making them more efficient (industrial world), (2) increase the competitiveness of railways vis-à-vis other roads and airways by improve the quality of their transport services for both passengers and freight operators (market world), and (3) reduce CO2 emission by shifting traffic from roads and airways to railways (green world). On the other hand, French and Italian local communities *oppose* LT because they do not consider it of public interest. From their perspective, the industrial, green and civic justifications the proponents mobilize in support of LT are erroneous. They thus engage in an intense work of de-institutionalization of the project by undermining its moral foundations. They mobilize counter-justifications by giving birth to state-of-worth and order-of-worth controversies. In both contexts, opponents challenged LT from within proponents' industrial world (state-of-worth controversy) by questioning the degree to which the scientific and empiricist principles – typical of an industrial situation – were being correctly applied to LT. They argued that there was no empirical or scientific evidence demonstrating the need for a new infrastructure because the traffic flows between Italy and France were declining. Additionally, based on arguments from the green and civic worlds, they also questioned the appropriateness of proponents' industrial principles applied to the decision-making of LT (order-of-worth

controversy). They thus called for a wider assessment of the project where, not only the traffic flows, but also the environmental impact of the project and the overall public interest were duly taken into account.

Our study suggests that an important aspect for the successful design and implementation of megaprojects like LT is proponents' ability to cope with the multiplicity of worlds that contradictorily co-exist in the field. Particularly, the analysis shows that in France – where proponents have most often worked to make agreements with the opponents – resistance to change is weaker than in Italy – where proponents have most often ignored opponents' critiques. Making agreements with stakeholders outside the project team is thus a key factor for the smooth conduct of complex megaprojects.

Our analysis shows that, despite different capacities of making agreements, Italian and French proponents' posturing towards opponents' requests have similarly evolved over time (Figure 8.7).

In France, proponents' capacity is relatively high throughout the 1990s and 2000s when opponents' criticisms do not question the overall feasibility of the project. In the early-2010s, while the French Court of Audit releases a report that casts doubt on the economic feasibility of LT, local opposition groups appoint a new spokesperson, Daniel Ibanez. Under the leadership of Mr. Ibanez, the opponents ask to stop the implementation of LT and set up a new public debate on the social and economic interest of the project. Proponents refuse and file a claim for defamation against Mr. Ibanez. However, upon reaching the court the lawsuit is dismissed on insufficient legal ground.

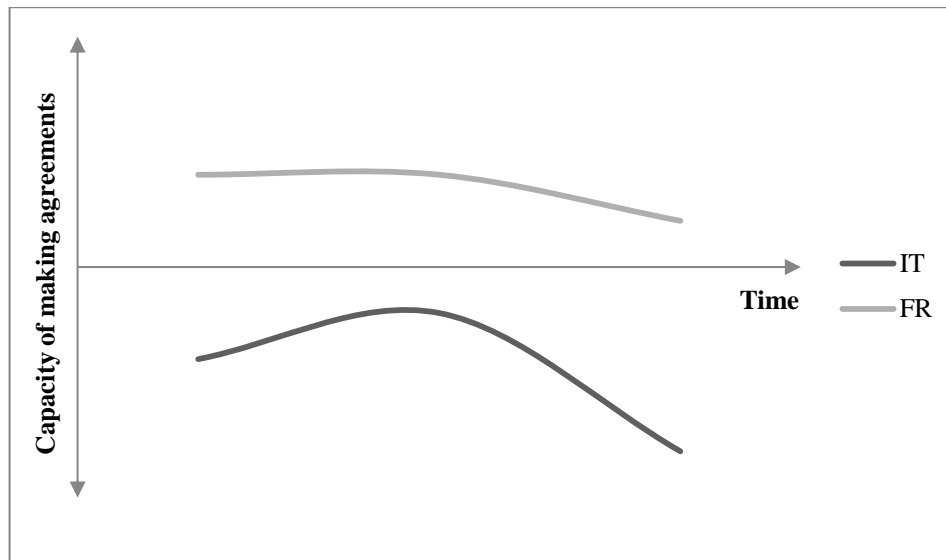


Figure 8.7 – Capacity of proponents to make agreements with opponents

In Italy, proponents' capacity is low during the 1990s, then – after a slight increase in the 2000s – it dramatically worsened during the 2010s. In the 1990s, proponents avoid local opponents' criticisms of the project by ignoring their requests of taking part in the decision-making of LT. In the 2000s, after a mass mobilization of Susa Valley's populations, proponents accept to establish a dialogue with the opponents on condition that they accept to limit the discussion to how implementing the project rather than whether implementing it or not. Opponents interpret this condition as a way of the proponents to avoid again their criticisms and impose *de facto* the planned project. As a consequence, they decide to stop the ongoing dialogue and occupy the construction site of the base tunnel as a form of protest. As a response, in the 2010s the proponents mobilize the army to evacuate the opponents. They thus militarily occupy the construction site and prosecute the activists of the opposition groups.

Our findings show that French proponents have a better capacity of making agreements than Italian ones and, at the same time, experience a better performance in terms of achievement of planned objectives (Figure 8.8).

Performance in Italy is lower than in France because the opposition of local stakeholders is much stronger. In the Italian context, throughout the 2000s and 2010s local communities' protests physically stop the geognostic works several times by producing implementation delays. Local opposition against the Italian proponents is stronger than French ones because the latter succeed to make relatively stable agreements with the opponents whereas the former tend to ignore them.

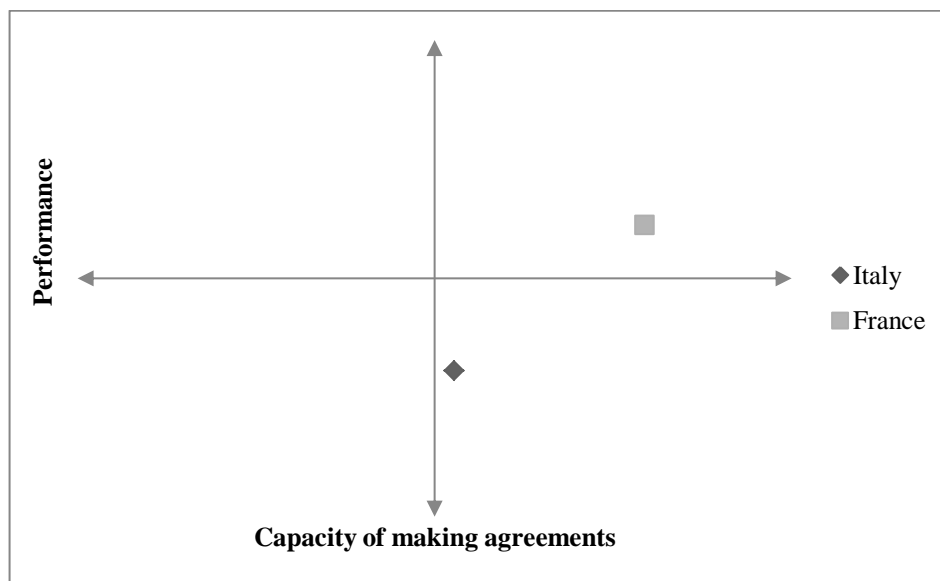


Figure 8.8 – Cross-country comparison of performance and capacity of making agreements.

A change in the posture of Italian proponents towards opponents takes place in the mid-2000s when the turmoil of local communities protest leads the government to set up the OTL and try to find an agreement with the

representatives of the opposition groups. As mentioned, the discussions taking place at the OTL between proponents and opponents take long and delay the accomplishment of the geognostic works for the base tunnel. Performance worsens and EU's authorities in charge of supervising and monitoring the project at the supra-national level put pressure on the national authorities to take up the implementation again in accordance with the planned agenda. To comply with the EU requests, the Chairman of the OTL decides that it is time to stop debating about the different views of the project and work constructively on the infrastructure implementation as required by the European agenda. Therefore, he unilaterally adopts a document – so called “Agreement of Pracatinat” – in the name of all OTL participants although none among the local stakeholder had signed it. This document imposes OTL members to shift the focus of their meetings from debating the project feasibility to project implementation. As a response, in the early-2010s the local stakeholders quit the OTL and occupy again the construction site where the geognostic works are about to start. In their turn, the project proponents respond by occupying militarily the construction site to let the works start and by pressing charges against all those who publicly support LT. The Italian capacity of making agreements clearly runs out.

8.4.4 Content, context and process on the move

Our analysis suggests that, in the case of LT, variations in performance (content) are *determined by* and *determine* variations in (1) national institutions' openness to civil society stakeholders (inner context), (2) supra-national intensity of supervision and control (outer context), and (3) actors' capacity of making agreements (process).

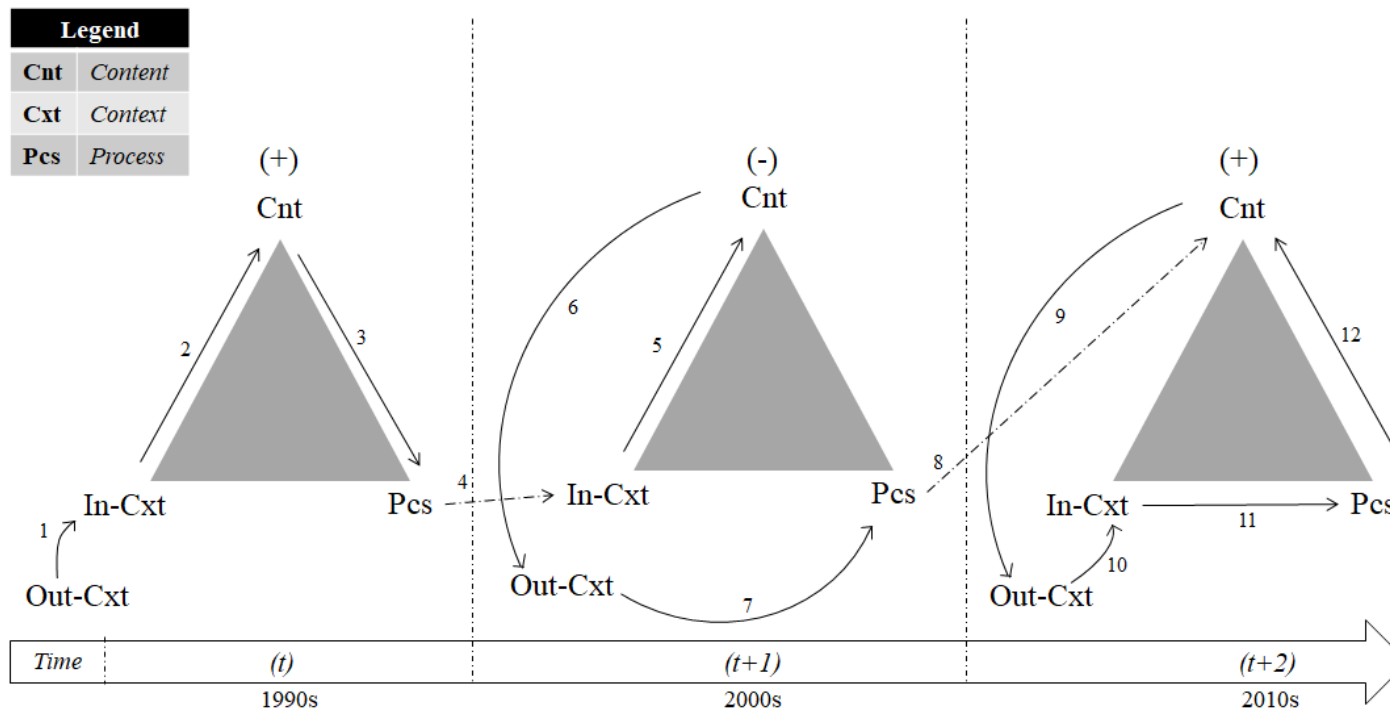


Figure 8.9 – Contextualist interactions through time.

Time is a key factor to understand the continuous interactions between the content, contexts and process of change. In the case of LT, we identified three periods (t , $t+1$ and $t+2$) through which we could observe important variations in the contextualist interactions (Figure 8.9).

The analysis suggests 12 key interactions which unfold over time.

In the early-1990, the Treaty of Maastricht introduces the TEN-T policy to stimulate Member States' investments in seamless trans-European transport chains for passenger and freight, while keeping up with the latest technological trends such as high-speed railway technology in the rail sector. In Italy and France, this policy framework provides economic incentives that lead both national governments and railways to invest public funds in the construction of LT (interaction n°1). Within each national context, different institutional systems are in place to govern the project implementation. The French system is opened to stakeholder participation whereas the Italian one is not. These different systems produce two different implementation strategies. In France the project proponents establish a dialogue with the local communities, whereas in Italy they ignore them. Despite these different strategies, LT experiences a relatively positive performance in both contexts (interaction n°2). By the end of the 1990s, the first preliminary studies are accomplished and both national governments and railways declare their official commitment to the construction of the new infrastructure. However, the implementation of the project at the national levels produces different processes where local communities differently oppose the project (interaction n°3). In France – where proponents implement LT while making agreements with the opponents (moderation strategy) – resistance to change is weaker than in Italy – where proponents implement LT while ignoring opponents' critiques and avoiding agreements (either/or strategy).

In Italy, the systematic exclusion of local stakeholders from the decision-making process leads to popular protests and to the occupation of the base-tunnel construction site. The turmoil of these events – and the pressures of the public opinion - leads the government to reform the national institutions in charge of LT and make them more opened to local participation (interaction n°4). An extraordinary body (OTL) is thus created to integrate the local communities in the decision-making system and dialogue with them. Because of proponents' and opponents' divergent views, the OTL consultations take long and the implementation of LT is further delayed (interaction n°5). Performance worsens and the mid-term review of the TEN-T's executive agency provides a negative assessment of LT (interaction n°6). Alarmed by the negative assessment, the European Coordinator puts pressure on the national authorities to take up the implementation again in accordance with the planned agenda otherwise financial support to LT might be reduced (interaction n°7). To comply with the EU requests, the Chairman of the OTL – an extraordinary commissioner appointed by and acting on behalf of the central government - unilaterally adopts the “Agreement of Pracatinat”. He does it in the name of all OTL participants although none among the local stakeholders has signed it. This document imposes OTL members to shift the focus of their meetings from debating the project feasibility to project implementation. As a consequence, the representatives of the local communities quit the OTL.

In the 2010s, local protests intensify in Italy and revitalize in France. As a consequence performance worsens (interaction n°8). In Italy, the local communities occupy the construction site and impede the start of the geognostic works. In France the works do not stop, but the opposition of local stakeholders leads the project promoters to review the plans and objectives for the development of the national route giving access to the base tunnel. At the supra-national level, the poor performance of several projects funded by TEN-T leads

the EU to strengthen its supervision and control functions on the Member States (interaction n°9). The new investment guidelines introduce the corridor forum that imposes to all the Member States involved in TEN-T to provide a work plan of funded projects (interaction n°10). Moreover, any further delay at the national levels in the implementation of funded projects will imply new reductions of EU's financial support (so called 'use it or lose it' principle). As a consequence, Italian and French proponents introduce new institutional practices (e.g. Law 183/2011 and prosecution of opponents) which reduce the margin to maneuver of local opponents (interaction n°11). In both contexts, proponents overtly manifest their will to make agreements only with those actors who support the implementation of LT. In Italy, they get to the point of militarily occupying the construction site to discourage any further opposition and secure the timely implementation of planned objectives. The project performance improves but at the expenses of important-but-unmeasured democratic values (interaction n°12).

8.5 The governance of TEN-T projects

Our analysis of LT invites to reflect on the governance of trans-European megaprojects.

We have analyzed the governance scheme of these projects in the complex settings of TEN-T, an infrastructure policy at supranational level with the overall aim of improving the functioning of the internal market through continuous and efficient transnational networks in transport flows. In 1992, the Treaty of Maastricht introduced this policy to stimulate Member States' investments in seamless trans-European transport chains for passenger and freight, while keeping up with the latest technological trends such as high-speed railway technology in the rail sector.

Since the 1980s, trans-European infrastructures have emerged as a priority aspect of EU's transport liberalization policies enabling to solve interoperability problems between national infrastructure networks. Interoperability is a crucial issue because Europe has many national transport systems with their own governance structure - that have evolved each in their own way over the past years. Their technical standards are different, and this is clearly an obstacle to cross-border traffic and, therefore, to cross-border competition. For example, with international trains it is usually the case that the engine has to be changed at the frontier station. In especially difficult cases, passengers must change trains or goods must be reloaded. In the railway sector different gauge widths, electrification standards and safety and signaling systems made it more difficult and more costly to run a train from one country to another. In this situation, the European transport market was fragmented - and no liberalization initiative could be really effective - because each national transport network could be used only by those operators having a rolling stock apparatus complying with the national market standards.

For all the reasons mentioned above, in 1996 the EU established the TEN-T program, an EU-level investment program providing financial resources and supra-national legal rules to realize – by 2010 - a list of priority infrastructure projects representing the backbone of the future trans-European transport network. In terms of performance, a number of major problems emerged throughout the mid-1990s and the completion of the originally defined TEN-T infrastructure network fell behind the optimistic development plans (Schade et. al. 2013). As a consequence, in 2001 the deadline was delayed to 2020. In 2014, trans-European infrastructures still resembled to a patchwork rather than a network. Therefore, the deadline was further extended to 2030 for most strategic project and 2050 for the least strategic.

Through time, a number of organizational innovations (e.g. European Coordinator, executive agency and Corridor Forum) have come in succession through time to improve the governance of funded projects and boost implementation at the national levels. Nevertheless, these innovations have been accompanied by the increasing opposition of local stakeholders in several Members States: Italy and France (Lyon-Turin project), Germany (Stuttgart project), Spain (Basque Y project), UK (HS2 project). Recent studies on TEN-T (Schade et al. 2013, 2014) notice that, not only the accomplishment of planned objectives, but also the participation of local stakeholders to project decision-making should be duly considered in the governance of the program.

As we have showed, the governance of TEN-T is centered on the notion of performance, in the sense of achievement of planned objectives. This is done through indicators representing the project performance in terms of objectives achieved by state-level project promoters against the initial plans agreed with the European Commission. The rationale behind these tools lies in the NPM belief that the public organizations work better when they are oriented toward results, rather than being focused on processes. However, this research has showed that, when translated into practice, this belief may lead the management to strengthen the supervision and control of planned outputs while reducing its openness to stakeholders and ability to make agreements with opponents. From our perspective, this occurs because NPM has a rather linear conception of change. It sees collective decision-making as a rational choice process where all stakeholders share the same set of values and hold homogenous preferences. Nevertheless, our study suggests that this is a simplistic view of collective decision-making as stakeholder groups may behave on the basis of contradicting logics (proponents VS opponents of change) and by responding to different institutional pressures (French VS Italian institutions). As a consequence, change is rather the result of conflicting interests, politics and institutional cultures which,

all at the same time, make management a social process, meandering and developing over time.

According to our findings, performance management instruments narrow the focus of supra-national managerial action on the supervision and control of project outputs - as measured by performance numbers - but overlook the process unfolding over time within the national contexts involved. This narrow focus may have inescapably-disciplinarian effects which improve performance at the expenses of important-but-unmeasured democratic values. For example, when the local oppositions intensified in Italy throughout the 2000s and 2010s, the European Commission's concerns were about the delays these oppositions provoked vis-à-vis the existing schedule of project implementation. It therefore decided to apply the use it or lose it principle to normalize the project implementation process to align it with TEN-T's programmatic goals. To prevent further delays – and thus an additional reduction of TEN-T funds due to the application of the use it or lose it principle - the Italian government militarily occupied the construction site of the project. The aim was to discourage any future protest which could delay further the accomplishment of TEN-T's planned objectives.

Additionally, our study suggests that, at the state level, change in trans-European megaprojects is an uncertain process whose direction may vary across the national contexts involved. In fact, the institutional systems of the Member States may be characterized by different degrees of openness to stakeholders and capacity of making agreements, which in their turn may affect performance by producing resistance to change. It therefore indicates that the reality that the governance of trans-European projects is the national contexts and processes, and not merely the content, must be reinforced. As suggested by Pichault (2013), when managers' over-rely on the content they tend to prioritize planning and control activities (e.g.

plans and programs, performance targets and evaluation). Change is thus understood as a linear process in which the manager has full control of over the decision-making process “from the problem definition stage onwards, before proceeding with its implementation, which is monitored using sophisticated evaluation tools” (Pichault 2013: 53). In the case of trans-European megaprojects, this linear perspective may be detrimental as EU managers and officers might be required to adapt their practices to the evolution of national contexts and processes – and not merely implement planned objectives. Most traditional planning and control approaches are unable to cope with the diversity of viewpoints that characterize the complexity of trans-European megaprojects. These approaches assume “that all the parties involved [...] fundamentally share the same values and objectives. Once these objectives are incorporated into the plan, they are not discussed again and remain unchanged from formulation to implementation and control (*principle of invariability of objectives*). [...] It is easy to understand that such a decision-making process can only take place in a relatively simple environment” (Pichault 2013: 53).

At the supranational level, this research suggests that the planning approach should be softened to give more importance to the different processes and contexts structuring the national level. Due attention is to be paid at the complex interplay between supra-national and national levels as we show that supra-national initiatives of performance management may interfere with the institutions and social relationships at the national levels. Particularly we have showed negative effects in terms of institutional openness to civil society stakeholders and actors’ capacity of making agreements with opposing groups in society. We suggest to EU actors to invest more efforts in the design of mechanisms enabling a better alignment between national and supra-national organizational processes. Time is also an important aspect as we see that viewpoints on and attitudes towards public initiatives may change over time as new information is disclosed.

The findings of this study invite us to think the governance of TEN-T projects beyond the traditional planning logic of NPM and reflect more on alternative managerial paradigms. A post-NPM logic that is alleged to reconcile stakeholder participation and performance in public decision-making processes is the Public Value (PV) logic (Moore 1995, O'Flynn 2007, Stoker 2006). The PV perspective abandons NPM's mono-centric and mono-rational vision all to the good of a poly-centric and poly-rational vision where the core of public decision-making is stakeholder participation. PV shifts the focus of public action from results to citizenship, network governance and the role of public agencies in working with citizens to create public value, generate democratic authorization, legitimacy and trust. This approach considers public sector organizations as complex adaptive systems with characteristics which are qualitatively different from simple market forms, or private sector business principles.

According to Stoker (2006), the PV paradigm promotes alternative management systems functioning through dialogue and exchange practices associated with network governance (Powell 1990) - rather than practices of top-down hierarchical control and disciplinarianism. He believes that it is through the construction, modification, and adaptability of these alternative systems that democracy and management can be reconciled and delivered. Bozeman (2002) introduces the notion of public-value failures, occurring when core public values are not reflected in social relations, either in the market or in public policy. From his perspective, "a public-failure approach changes the discussion of public policy by making government (and public values) something other than residual category or an issue of technical efficiency in pricing structures. [...] The public-failure model is not a decision-making tool (à la cost-benefit analysis), but a framework to promote deliberation about public value" (Bozeman 2002: 150). According to this perspective public value does not exist per se, but it is negotiated and constructed among wide-ranging stakeholders who may disagree

on what course of actions will produce the maximum public value (Yang & Holzer 2006, Sanger 2008). “Under [the public value] model, the role of government is not simply to regulate, distribute, or redistribute public benefits but to serve as a catalytic agent to invest private and nonprofit stakeholders in shared ownership of the public good. This can take the simple form of community policing programs or a much more complicated form of networked governance such as watershed management over a very large geographic area involving multiple stakeholders, jurisdictions, and structures of authority” (Bao et al. 2012: 447).

Following the findings of this study, a PV approach to the governance of megaprojects ought to be based on decision-making systems widely opened to the participation of all stakeholder groups, also those having a negative view of the initiative. Alternative systems of performance management ought to be envisaged to monitor the progress made over the implementation process. Our study suggests that the plans and objectives against which performance is assessed ought to be collectively debated and approved (bottom-up) rather than decided from the top management (top-down). Finally, managers’ capability of dialoguing with opposing parties ought to be better improved. Our findings show that megaprojects take place in transnational multilevel pluralist environments characterized by competing logics carried out by extremely divergent actors (e.g. governments, industry, public administrations, international organizations, consultancies and local communities) who have to make agreements - all over the implementation process - to solve complex political, contractual, regulatory, ethical and technical issues.

Future research directions should focus on the design of governance mechanisms adaptable to the PV logic. A stream of the management literature (Hazen, 1993; Clegg et al., 2006; Pichault, 2013) has explored a polyphonic design. Polyphony

refers to the diverse voices of various organization members, and how these voices are present, disclosed and utilized in management (Hujala and Rissanen 2012). It means that managers' role is to guard that all voices in the everyday life of an organization are considered equivalent and that the struggle between different ideas and interpretations is considered normal. According to Pichault (2013), the polyphonic approach to monitoring and evaluation sharply contrast with the panoptical model – espoused at the EU level. The latter searches for control and correspondence (accomplishing objectives established in advance) whereas the former proposes evaluations “in several voices” where stakeholders' multiple representations of and expectations on the organizational performance are taken into account to design indicators. The identification of stakeholder groups, the environments in which they interact, and the recognition of the active role of various stakeholders in producing these indicators are all key aspects of this polyphonic approach.

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9. Synthesis: performance management, institutions and controversies in the governance of trans-European infrastructure megaprojects

Through an in-depth case study of the LT project, in Part 2 of this dissertation, we examined the decision-making techniques and rules underneath the governance of TEN-T projects, as well as the conflicts with local communities that arise from the implementation of these projects. In line with the critical stance of this dissertation, we have drawn attention on performativity, that is the taken for grantedness of 'performance' (Austin 1962, Lyotard 1984, Spicer et al. 2009), here in the sense of effectiveness and efficiency.

TEN-T projects are a great example of performativity. As explained in the introductory chapter at the beginning of Part 2, the implementation of these projects relies on some key NPM principles: (1) explicit standards and measures of performance and 'hard look' at objectives; (2) output controls and orientation towards results; (3) discretionary control of organizations from professional top management; and, (4) stress on discipline in resource use. By analyzing the case of the LT project, we look at the way how these principles translate into action, with particular attention on the control mechanisms and conflicts resulting from the application of these principles.

By mobilizing contextualism in conjunction with theoretical pluralism, we attempted to disentangle politics from management. In essay 4, we used Foucault's theory of power to show that performance management systems are not neutral devices but can be used by the top-level management as intellectual technologies to control collective action at distance. Therefore, in this forth essay, we narrowed the focus on how EU-level performance management systems influence stakeholders interactions at the national levels, in France and Italy. In essay 5, we used neo-institutionalism to show that collective action is not only shaped by top-managerial decisions but also by the institutional pressures specific to the context where action takes place. Therefore, in this fifth essay, we narrowed the focus on how national institutions differently influence the

implementation of LT, in the Italian and French contexts. In essay 6, we used Boltanski and Thévenot's Justification theory to show that managerial élites and civil society groups may have divergent interests. This divergence of interest makes the implementation of TEN-T projects a contradicting process, marked by collective controversies which unfold over time in different ways according to contexts that embed them. Therefore, in this sixth essay, we narrowed the focus on how actor groups with divergent views of LT generate conflicts over the implementation of LT which contribute to shape collective action at the national levels.

Essays	Research Questions	Answers
4	How do supra-national Performance Management Systems influence the interactions between LT stakeholders at the national levels?	Traditional performance management systems narrow public managerial action on performance targets and make it less responsive to stakeholders' concerns, with detrimental disciplinary consequences on stakeholders interactions.
5	How do national institutions influence LT implementation in Italy and France?	National institutional frameworks are more or less opened to civil society stakeholders participation. They variously impact LT implementation Italy and France depending on their openness degree
6	How do stakeholders with divergent views about LT interact and influence LT implementation at the national levels?	Stakeholders competing views generate controversies which have detrimental effects on LT implementation

Table 9.1 – Part 2 - Findings summary and recommendations

Table 1 summarizes the research questions at the basis of these three essays, our answers to them and the recommendations we provide on the basis of our findings to improve the governance of TEN-T projects.

9.1 Controlling performance across the Member States from the top of the EU

9.1.1 Performance management at the supra-national level and stakeholders interactions at the national levels

The functioning of the TEN-T program is regulated by the so called ‘investment guidelines’, providing (1) the geographical and technical characteristics of the trans-European network, (2) the list of infrastructure projects to be funded by the TEN-T budget and (3) the minimum governance scheme of funded projects. These guidelines take the form of a regulation (a legal text approved at the EU level through the ordinary legislative procedure) undergoing major amendments at the end of every budget period, that usually lasts five years. By learning from past errors, these amendments aim to improve continuously the program performance by updating (1) the characteristics of the network, (2) the project list to be funded; and, (3) the governance scheme.

Based on the content of these guidelines, the European Commission adopts a work program. This program details the activities which are funded for each project in the guidelines list, as well as the budget made available for these activities. During the financial cycle, the budget is periodically allocated through several calls for proposal, which the European Commission manages with the support of an executive agency called INEA. Through these calls, the governments of the Member States - together with the enterprises that will realize the funded activities - are invited to send proposals which address the infrastructure priorities outlined in the work program.

The opening of the calls activates a competitive selection process during which the European Commission and the INEA evaluate and select the proposals that best comply with the specifications of the call. The promoters (representatives of national governments and enterprises) of successful proposals are invited by the INEA to sign a grant agreement, detailing the conditions under which funds will be allocated to them, including the milestones, objectives and deadlines to be reached during the implementation of proposed activities.

During the implementation of proposed activities, the promoters are supervised by a European Coordinator. This is an EU-level manager, appointed by the European Commission because of its professional expertise. His/her role is to support national promoters in the timely achievement of the milestones and objectives identified by the funding agreement. He/she is entitled by the guidelines to take any implementing decision that can help national promoters to remove the obstacles which hamper at the national levels the timely achievement of objectives and milestones planned in the funding agreement.

The implementation by national promoters of funded activities is closely monitored by the European Commission and INEA through two documents: the Strategic Action Plan (SAP) and the Annual Status Report (ASR). The SAP is a project management document. It is based on the content of the funding agreement and identifies the activities to be carried out by the national promoters, as well as the associated resources and timeline. On the other hand, the ASR is an annual report submitted by the promoters to INEA. Based on the content of SAP, it provides information on the technical progress of funded activities and the associated budget consumption. With the support of external experts, INEA officers periodically aggregate and analyze individual SAP and ASR data to assess the overall performance of TEN-T-funded projects. This exercise is called 'Mid-Term Review' and is done halfway in each TEN-T budget period. It aims to

evaluate to which extent the overall implementation of the TEN-T program is in line with the objectives planned for the ongoing budget period.

SAPs, ASRs and Mid-term Reviews are key tools of organizational rationalization that open the entire space of the TEN-T program, no matter how vast from a geographical point of view, to managerial observation and control. They thus allow the EU-level bodies to inspect and overhaul the program administrative machinery and maintain unity of command over the implementation process of individual projects. With the support of the INEA, the European Commission uses these tools to classify individual projects and, if needed be, to reorganize their implementation plan. The concept of *effectiveness* plays a crucial role in this classification exercise.

Effective projects – for which the examined data suggest that they will be completed in compliance with the planned objectives - are allowed to run their normal course until completion. By contrast, *ineffective* and *under-effective* projects undergo corrective measures. Projects classified as ineffective – for which the examined data suggest that they will no longer meet the planned objectives - undergo the cancellation of funds whereas those classified as under-effective – for which examined data suggest that they will be completed behind the planned schedule - undergo the conditional extension of funds. Extension is usually accompanied by detailed implementing conditions - which can be of administrative, technical, financial or political nature depending on the specific issues to be addressed within each individual project - that will be closely observed by the Commission in order to ensure better use of resources while fulfilling the objectives of the program.

Efficiency is another key concept of the performance management system underneath TEN-T. Following the classification outputs of the Mid-term Review, the funds of projects that are no longer meeting the planned objectives

(ineffective and under-effective projects) are cut and reallocated to most performing projects (effective projects), so that an *efficient* use of the financial resources made available by the TEN-T is assured through the entire budget period. This is done on the basis of the so called ‘use it or lose it principle’, a managerial rule allowing TEN-T officers to reallocate resources from ineffective and under-effective projects to effective ones. Such reallocation of funds is not presented as a political choice but rather as a managerial consequence of the rational economic assessment of project performance.

While monitoring tools (SAP, ASR and Mid-term Review) provide the basis to classify projects, the use-it-or-lose-it managerial rule is applied to compel ‘ineffective’ and ‘under-effective’ project promoters to comply with the delays and conditions of the TEN-T guidelines. Indeed, if compliance with initial TEN-T plans is not assured, the European Commission has the right to impose corrective measures – such as cancellation or conditional extension of funds. Figure 9.1 graphically summarizes this process.

As showed in essay 4, during the 2010 Mid-term Review, the European Commission considered about 36% of the evaluated projects as ineffective or under-effective, and imposed corrective measures to the concerned national promoters in the form of total or partial cancellation of funds.

In the case of the LT project, the TEN-T financial contribution was cut approximately by €9.2 million because the project management indicators registered an under-effective performance on the Italian side of the project. The remaining part of TEN-T financial contribution (approximately €662.6 millions) was extended but under specific conditions³⁷. As we explain here below, the

³⁷ Four conditions were identified by the European Commission. These are that : (1) the Italian and French governments revise the Treaty at the base of LT, within 2010, by establishing the new public promoter, and the financial model for the implementation and

imposition of these corrective measures at the supra-national level had disciplinary consequences on the relationship between the national promoters – the governments and enterprises managing LT-related funds - and the civil society stakeholders concerned by the project – the Italian and French local communities.

Throughout the 2000s, the Italian process of project implementation had in fact experienced major delays due to the increasing opposition of local communities from the Susa Valley. The 2010 mid-term review made emerge these delays by representing LT as under-effective. As a consequence, the European Commission decided to apply the above-mentioned corrective measures and, among others, required the Italian government to start the excavation of the geognostic gallery in Maddalena, at the latest, by the first quarter of 2011. Nevertheless, in the early-2010s, these oppositions had not stopped yet. To prevent further delays, the Italian government approved Law 183/2011, which declared LT a project of strategic priority to be realized in the name of national interest. Therefore, this law provided the government with a legal basis to militarily occupy the construction site of the geognostic gallery and prevent any future protest which could delay further the accomplishment of the project.

At the same time, as protests were emerging also in the French areas concerned by the project, LTF – the constructor company in charge of the geognostic works in both countries - pressed charges against local activists in both countries to discourage any future opposition to funded activities.

operation of the project, including the respective financial contribution; (2) the preliminary design study is approved by both governments by the end of 2010; (3) excavation of the new geognostic gallery in Maddalena starts, at the latest, by the first quarter of 2011, (4) the final design studies are completed by the end of 2011.

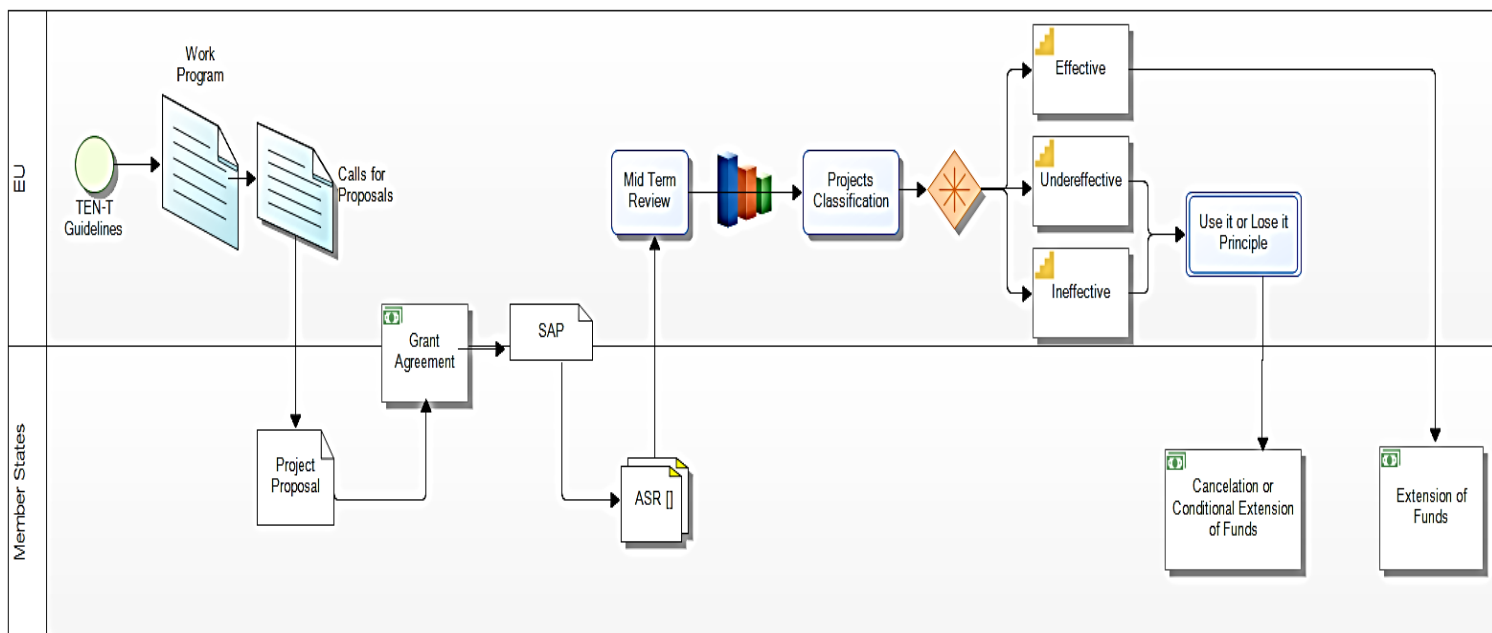


Figure 9.1 – TEN-T performance management process³⁸

³⁸ Figure 9.1 was realized with the support of Adriano Frantantonio, business architect at Bizliner (Belgium).

Our findings in essay 4 indicate that the TEN-T system of performance management used at the supra-national level by the European Commission may entail disciplinary effects on state-level stakeholder interactions which vary accordingly to the national contexts. In Italy, these effects take the form of military and judiciary initiatives that both the government and the constructor company use to weaken local oppositions and secure the implementation of planned objectives. In France, these only take the form of judiciary initiatives of the constructor company against local activists. As we explain further, these cross-country differences may be better understood if we narrow the focus of analysis on the different country-specific institutional frameworks that structure the decision-making of LT at the national levels.

9.1.2 Steering performance through intellectual technologies: insights from Foucault's theory of *Panopticon*

Drawing on Foucault (1980), essay 4 suggests that the TEN-T performance management system acts as an 'intellectual technology' that allows EU-level officers to influence stakeholders interactions at the national levels in a way which is consistent with the achievement of TEN-T-planned objectives.

Intellectual technologies refer to "techniques of notation, computation and calculation; procedures of examination and assessment" (Miller and Rose 1990: 8). These are often inscribed within the logic of means-ends calculation and have thus a strong performative potential. As explained by Edenius and Hasselblad (2002), artifacts such as written reports, pictures, numbers, charts and statistics are performative and important instances of organizing, as they create new domains of power/knowledge at the same time as they provide the means for acting upon what is constructed.

Miller and Rose (1990) consider that the language itself is a ‘intellectual technology’ that provides a mechanism for rendering reality amenable to certain kind of actions. Specifically, it allows governors (e.g. politicians, public officers and top-managers) to translate events and phenomena to which government is to be applied into information such as written reports, drawings, pictures, charts, graphs, and statistics. Plans and programs of government also depend on these devices used for the inscription of reality in a form that governors can debate and diagnose.

Our analysis in essay 4 indicates that TEN-T performance-based techniques of governance are a great example of intellectual technology. These resort to the language of performance (e.g. ‘effective/ineffective project’, ‘efficient use of resources’, ‘mid-term reviews’) to shape the collective behavior of project promoters within the Member States. Particularly, these techniques allow TEN-T program officers to make judgements as to whether and why this or that funded project succeeded or failed, or to devise remedies for alleged deficiencies across all the Member States making use of TEN-T funds.

Our study on LT suggests that TEN-T performance-based techniques may articulate on the basis of three primary principles of panoptical control: (1) hierarchical observation, (2) examination and (3) normalization. The hierarchical observation is used to place stakeholder groups under the supervision of nested managerial tiers and establish vertical lines of command across the organizational hierarchy of TEN-T. Examination is used to construct charts revealing performance flaws in the TEN-T’s organizational hierarchy. These charts allow TEN-T officers to measure performance differences between projects and plan the re-allocation of financial resources from low-performing to high-performing projects. As a final step, TEN-T officers normalize low-performing projects by

applying sanctions and conditional measures having the objective to correct performance.

Nevertheless, our findings point out the unintended consequences that these supra-national performance-based, panoptical techniques of program management produce at the national levels. As we show, these consequences are due to the fact that EU-level officers running the TEN-T program narrow the focus of their managerial action on the achievement of predetermined ends - as measured by performance numbers - and overlook the behavior of people at the lowest levels of the governance scheme (stakeholders interactions at the national levels). This narrow focus may divert program officers' attention from important-but-unmeasured values and have disciplinary effects on the process of project implementation.

Drawing on existing literature (Radin 2006), we explained these disciplinary consequences by the fact that TEN-T-style performance-based systems of governance are herald of performative values which overlook the traditional democratic values of national institutions. This occurs because their evaluation criteria rely on one-size-fits-all solutions that do not correspond to the dynamic reality of funded projects within the national contexts of the Member States. Such simplistic criteria may lead EU-level officers to behaviors described as tunnel vision - undue focus on performance measures to the detriment of other areas - and myopia - short-sightedness leading to the neglect of longer-term objectives - (Mannion and Braithwaite 2012; Smith 1995).

9.2 The implementation of LT within the national contexts

9.2.1 Cross-country regulatory differences and openness of national decision-making systems to stakeholders participation

We show in essay 5 that, at the national levels, LT implementation takes place within two different countries with two different regulatory frameworks for the decision-making of large infrastructure projects. In France, decision-making is regulated by a set of administrative rules – ‘Enquête Publique’ procedure – leading the railways, the central government and the local authorities to set up – with the support of various administrative bodies (e.g. ‘Tribunal administratif’, ‘Commissaire enquêteur’) – public consultations with the local communities affected by the project. In Italy, it is regulated by a 2001 *ad-hoc* law of the Parliament - Law 443/01, so called ‘Legge Obiettivo’ (LO). This law introduced a fast-lane procedure allowing the railways and the central government to bypass the local communities and authorities in the decision-making of LT and have preferential access to financial resources. Therefore, in Italy decision-making is mainly concentrated in the political apex of the state machinery, whereas in France it is more shared with the administrative authorities and the civil society.

According to our analysis, a key difference between the two national systems is their openness to stakeholders participation. The French system is more opened than the Italian one. Nevertheless, through time, both systems manifest a tendency towards closure. In France, decision-making was opened to local stakeholders participation throughout the 1990s and 2000s, and then it increasingly closed throughout the 2010s due to emerging local oppositions. In Italy, decision-making was closed to local stakeholders participation during the 1990s, then – after a slight opening in the 2000s – it dramatically closed during the 2010s due to the strengthening of local oppositions.

In France, throughout the 1990s, regional and local authorities promoted studies and public meetings on the economic interest of LT with the civil society concerned by the project. Throughout the 2000s, the ‘Enquete Publique’ procedure imposed the creation of a public enquiry committee in charge of consulting concerned local communities before the governments officially declares LT of public interest. Additionally, in 2003 the project promoters introduced an exceptional administrative procedure – so called ‘Démarche Grands Chantiers’ – to involve local socio-economic stakeholders in the implementation of planned activities. Nevertheless, in parallel to this process, two independent administrative authorities (‘Conseil général des Ponts et Chaussées’ and ‘Cour des Comptes’) released two reports casting doubt on the socio-economic interest of LT. Based on these reports, in 2010s, during the ongoing public consultation of the ‘Enquete Publique’ procedure, a group of local citizens asked to stop the project implementation and to launch a new public debate on the socio-economic interest of the project. The government and the railways ignored these requests and prosecuted their spokesperson while continuing the consultation with those local stakeholders more in line with the implementation of LT (e.g. ‘Démarche Grand Chantiers’ procedure).

In Italy, throughout the 1990s, concerned local communities had no formal right to participate in the decision-making of LT. In the 2000s, their exclusion from decision-making worsened with the approval of Law 443/01. They thus mounted a strong protest campaign against LT (so called NOTAV: ‘NO Treno ad Alta Velocità’, tr. No High-Speed Train) which led them to occupy the construction site of a geognostic tunnel funded by the EU. Vis-à-vis such strong local mobilization against LT, the government created a new extra-ordinary body - so called ‘Osservatorio Torino-Lione’ (OTL) - to conduct public consultations with the representatives of NOTAV opposition groups. Until the late-2000s, the OTL hosted many meetings during which the most controversial aspects of the project

were debated. NOTAV representatives and LT promoters had diverging opinions on the forecasting methodology and the variables to be used in the estimation of the traffic flows between Italy and France. Because of these diverging views, OTL talks took long and the accomplishment of the geognostic works was delayed. In the meantime, at the supra-national level, TEN-T authorities in charge of supervising and monitoring the project implementation put pressure on the national authorities to solve the problems with the local communities and to take up the implementation again in accordance with the planned agenda. In parallel, the 2010 mid-review came to an end and the European Commission cut 9.2€ millions to LT because, especially on the Italian side, the project performance was under-effective. As a response, throughout the 2010s the Italian government modified again the regulatory framework for decision-making. This time by making it more closed to opposing local stakeholders. This was done through the approval of Law 183/2011, which allowed the government to militarily occupy the construction site of LT and discourage further protest against the project. The geognostic works could thus restart.

9.2.2 Adapting national institutions to supra-national performance targets and local stakeholders opposition: insights from neo-institutionalist theory

Levitt and Scott (2016) suggest looking at megaprojects as complex institutional fields characterized by the interactions among an extraordinarily diverse and shifting set of stakeholders. These stakeholders may carry different institutional logics which create tensions in the field (Scott et al. 2000) between the project team and stakeholders outside the team (Awakul and Ogunlana 2002). In such contested situations the team promoting the project might be required to manipulate the institutional framework and integrate the external stakeholders into the project decision-making so that they can resolve their differences and work effectively together to implement the project.

Drawing on this neo-institutionalist perspective, essay 5 examined the different regulatory frameworks that, in Italy and France, shape the LT trans-national field. It suggests that national regulatory frameworks for the decision-making of large infrastructure projects may be more or less opened to civil society stakeholders participation and may variously influence the implementation process of these projects within the national contexts. Particularly, our findings on the LT case indicate that frameworks more opened to participation (France) have a more positive influence than the closed ones (Italy).

From a more longitudinal perspective, our study points out that these national frameworks are not static. These rather evolve and adapt to unfolding problems in order to (1) cope with the increasing opposition of civil society stakeholders at the local levels and (2) ensure that the project implementation at the national levels is consistent with the performance targets of the supra-national level.

Our study shows that, despite different initial degrees of openness to civil society stakeholders participation, local-level oppositions to LT develop in both institutional systems. As a response, in both systems national promoters make use of extra-ordinary procedures to open further the project decision-making to local stakeholders participation. In so doing, they reform LT-related regulatory frameworks and make them more inclusive of local stakeholders. Nevertheless, their participation to decision-making is limited to the project implementation process as planned in the supra-national agenda.

Our findings also indicate that any local initiative by civil society stakeholders that alters the execution of the supra-national agenda is sanctioned by the national promoters. This is particularly clear in the Italian context, where local oppositions are stronger and their resistance to the project implementation cause delays in the execution of the EU-level agenda. To eradicate these oppositions, Italian promoters reform again their institutional environment by introducing new extra-

ordinary procedures. Particularly, the incumbent government, with the support of the Parliament, approves a legislative act that officially declares LT a national priority. Within this reformed institutional framework, any attempt to oppose LT is considered a threat to the national interest and, thus, legitimates the national government to use the army to stop it.

Following Hargrave and Van De Ven (2009), our study indicates that LT implementation can be described as a dialectical process where change emerges from the continuous interactions between proponents of institutional arrangements and parties espousing contradictory arrangements. The new arrangements that emerge can be challenged again by proponents through counter-alternative arrangements that recycle the dialectical process.

Consistently with the literature on the dialectical change of institutional fields (Seo and Creed 2002, Poole and Van de Ven 2004, Hargrave and Van de Ven 2009), our study suggests that institutional change can be described as an uncertain process whose direction depends on the interaction between proponents of current institutional arrangements and opponents espousing contradictory arrangements. The institutional order is thus a temporary truce reflecting the power relations of opposing parties.

9.3 The effects of stakeholders competing views on LT implementation

9.3.1 Competing views of LT and proponents attitudes towards opponents

In essay 6 we used Boltanski and Thévenot's (1991) conceptual framework of 'common worlds' to describe the competing views of the *proponents* and the *opponents* LT.

On the one hand, the national governments and railways *propose* LT for TEN-T funding at the supra-national level because consider it of public interest (civic

world). From their perspective, LT is of public interest because it will (1) modernize the transport connections between Italy and France by making them more efficient (industrial world), (2) increase the competitiveness of railways vis-à-vis other roads and airways by improving the quality of transport services for both passengers and freight operators (market world), and (3) reduce CO₂ emission by shifting traffic from roads and airways to railways (green world).

On the other hand, French and Italian local communities *oppose* LT because they do not consider it of public interest. From their perspective, the industrial, green and civic justifications the proponents mobilize in support of LT are erroneous. They thus engage in an intense work of de-institutionalization aimed at showing that LT is not a good project because the theoretical arguments developed by the proponents are not true. At a later stage, they also criticize the decision-making rules which, especially in the Italian context, are seen as highly undemocratic. To this end, they mobilize counter-justifications by giving birth to state-of-worth and order-of-worth controversies.

In both national contexts, opponents challenged LT from within proponents' industrial and green worlds (state-of-worth controversy). Concerning the industrial world, they questioned the degree to which the scientific and empiricist principles – typical of an industrial situation – were being correctly applied to LT. They argued that there was no empirical or scientific evidence demonstrating the need for a new infrastructure because the traffic flows between Italy and France were declining. Concerning the green world, they did not deny the importance of the modal shift to decrease CO₂ emissions. However, they argued that the narrow focus on CO₂ emissions as a unique impact category of the environmental effects of LT was misleading. They claimed that the environmental impact assessment should consider not only the emissions related to the operational phase of the infrastructure (i.e. a comparison between saved emissions from less car traffic and

released emissions from train transport), but also the global environmental impact of its entire life-time including both construction and maintenance phases. Therefore, they argued that the assessment should have accounted not only for direct but also indirect costs such as, for example, those related to the storage of the excavation materials.

Based on arguments from the civic and green worlds, opponents also questioned the appropriateness of proponents' industrial and market principles applied to projects like LT, having a wide impact on society, environment and economy (order-of-worth controversy). From their viewpoint, opponents consider LT as an unnecessary and imposed megaproject: (1) unnecessary, because it does not respond to the real needs of populations but divert public money to investment initiatives that mainly benefits market and corporate interests while destabilizing national welfare systems and harming the environment and society; and, (2) imposed, because populations are excluded from the decision making process with governments, industry and public administrations operating in obscurity and treating proposals by citizens with contempt. Based on these arguments, opponents in both national contexts, called for a truly-transparent public debate on LT where, not only the traffic flows, but also the wider environmental impact and the overall public interest of the project could be duly considered prior to any implementing decision of the infrastructure.

According to our analysis, a key difference between Italian and French proponents is their attitude towards opponents. In France proponents have been more available to dialogue with opponents than in Italy. This can be partially connected with the configuration of the national regulatory frameworks of decision-making. In France, the regulatory framework opened to stakeholder participation, created various opportunities of dialogue between proponents and opponents. Conversely, in Italy the regulatory framework closed to stakeholder

participation provided little opportunity for dialogue. Our findings suggest that, despite different attitudes towards dialogue, Italian and French proponents posturing towards opponents' critiques have similarly evolved over time. In France, proponents' availability to dialogue with opponents is relatively high throughout the 1990s and 2000s when opponents' criticisms do not question the overall feasibility of the project but only minor aspects. It eventually worsens in the 2010s when criticisms cast doubt on the socio-economic interest of the entire project. In Italy, proponents' availability to dialogue is low during the 1990s, then – after a slight improvement in the 2000s – it dramatically worsens during the 2010s with the military occupation of LT construction site.

In France, throughout the 1990s and 2000s opponents did not criticize the technical and economic foundations of the project but expressed concerns about the economic impact of the project on the landed properties affected by the future line, the noise pollution of TGV trains and the storage of excavation materials. Proponents did not ignore them. They informed them – e.g. by sending them informative brochures with technical details about LT – and involved them through public consultations since the early stages of the project implementation. Throughout the 2010s, proponents' availability to dialogue with opponents worsened. In 2012 the French Court of Audit released a report that questioned the realism of the costs estimates and traffic forecasts of the proponents. This document came out ten years after a 2003 report of the 'Conseil général des Ponts et Chaussées', which casted doubts on the socio-economic interest of LT. Intrigued by the content of these reports, Daniel Ibanez – an experienced business consultant from a town concerned by the project – decided to re-examine the documents the proponents presented to the opponents during the public consultations. He found some irregularities in the traffic data and came to the conclusion that these were deliberately presented in a misleading way. His review of the project found other major irregularities in the LT dossier. Firstly, he found

procedural errors concerning the application of the environmental impact assessment procedure. Secondly, he found that some members of the inquiring committee running the public consultations with the opponents were in a position of conflict of interest. Under the leadership of Daniel Ibanez – who in the meantime had developed ties with the Italian NOTAV movement –, the opponents called for a new public debate on the public interest of the project where public consultations procedures would be applied in a truly transparent way. Proponents considered these requests incompatible with the implementation status of the project which had already been gone through many EU decisions and international agreements, duly ratified by the French Parliament. Therefore, in 2013 the concerned ministry declared LT of public utility. At the same time, LTF filed a claim for defamation against Daniel Ibanez. Upon reaching the court the lawsuit was dismissed on insufficient legal ground.

In Italy, since the early stages of the project implementation opponents criticized the technical, environmental and economic feasibility of LT. Proponents ignored these criticisms as no legal obligation imposed them to involve opponents in the decision-making. They changed their attitude in the mid-2000s when the turmoil of opponents' protests led the government to set up the OTL and establish a dialogue with them. As the OTL discussions between proponents and opponents were taking long, TEN-T authorities put pressure on the proponents to solve their divergences with opponents and take up the project implementation again in accordance with the planned agenda. To comply with the EU requests, the Chairman of the OTL decided that it was time to stop debating about the feasibility of the project and work constructively on its implementation as required by the European agenda. Therefore, he unilaterally adopted a document – so called “Agreement of Pracatinat” – in the name of all OTL participants although none among the opponents had signed it. This document imposed OTL members to shift the focus of their meetings from debating the project feasibility

to focus on project implementation. As a response, in the early-2010s opponents quitted the OTL and occupied the construction site where the geognostic works were about to start. In their turn, proponents responded by occupying militarily the construction site to let the works start and discourage any further opposition to LT. Additionally, LTF pressed charges against opponents who publicly demonstrated their dissidence against LT.

9.3.2 Managing controversies and promoting agreements: insights from Boltanski and Thévenot's justification theory

Using Boltanski and Thévenot's (1991) justification theory, essay 6 describes proponents' and opponents' contradicting views of LT. It brings the focus on the controversies which oppose these parties as well as on the different approaches that these parties used to resolve their contradictions.

Boltanski and Thévenot (1991) suggest that competing actors may resolve a controversy either by making agreements or without making agreements. In agreements, the contradicting parties reach a common understanding of the situation they are involved and manifest their assent about the course of action they will follow. As explained by the authors, agreements may either take the form of tests or the form of compromises. During a test people might not change their opinion and want to find an agreement through argument and reasoning. Usually, at the end of a test a party is deemed good and the other party is deemed wrong. On the other hand, competing parties using a compromise to solve a dispute more likely accept to reduce their demands or change their opinion in order to reach an agreement. Agreements are very important to solve controversies. Nevertheless, often people drop a dispute without making agreements and by applying different logics such as forgetting and forgiveness, or alienation and domination.

Our findings in essay 6 suggest that proponents' and opponents' competing views of LT generate controversies which have detrimental effects on the project implementation. These effects are less detrimental where proponents work to promote agreements with the opponents.

Our analysis indicates that a key difference between Italian and French proponents is their attitude towards opponents. In Italy, these were less available to dialogue and make agreements with opponents than in France. This can be certainly connected with the different configuration of the national regulatory frameworks of decision-making, less opened in Italy to civil society participation than in France. These different institutional configurations of the national contexts create different opportunities of dialogue between the contradicting parties.

By drawing on Hargrave and Van de Ven's (2009) typologies of contradiction management, we identified three different approaches to manage the interactions between contradicting parties in a field: "either/or" approach, moderation and "both/and" approach. Moderation and "both/and" approaches address both poles of a contradiction, whereas "either/or" approach focuses on only one pole. Nevertheless, moderation and "both/and" approaches are profoundly different as the latter deals with contradictory poles as they were complementary elements of a unity whereas the former frame them as competing and irreconcilable.

Our findings suggest that Italian proponents mainly followed an 'either/or approach' to opponents and marginalized them since the early-stage of the project implementation. As explained by Hargrave and Van de Ven (2009: 125), "either/both approaches separate different poles of contradiction, and tend to deny one pole by proceeding as if that pole does not exist, or seek to satisfy one pole while ignoring, or at the expenses of the other". Conversely, French proponents involved opponents in formal rituals of public consultations since the early-stage of the project implementation. However, as the disruptive potential of opponents'

participation increased over time, participatory practices of proponents weakened. These elements suggest that in the French context proponents mainly followed a moderation approach (Hargrave and Van de Ven 2009) enabling them to live with – but not embrace or resolve – the contradiction between the competing poles.

Our analysis suggests that in the either/or approach to contradiction proponents are reluctant to make agreements with opponents, whereas in the moderation approach these are opened to agreements as long as opponents' requests comply with the planned agenda of proponents. In both cases we see that proponents prefer to use tests rather than compromises. One explanation is that at the end of a test a party is deemed good and the other party is deemed wrong. Therefore tests can be used by proponents to affirm the righteousness of their proposals against the fallacy of opponents' requests. In so doing, tests can be better used by proponents to confirm their agenda and, further, marginalize opponents. Conversely, the achievement of compromises may require proponents to make concessions to opponents and, eventually, review their initial agenda. This indicates that compromises can suit better both/and approaches to contradictions than either/or and moderation approaches.

Our case shows that tests failed in both countries, by leading proponents to use judiciary deterrence (e.g. lawsuit against opponents) to discourage further oppositions to LT and, in so doing, put an end to the controversy. In Italy, where local oppositions to the project were particularly intense, deterrence was also based on military deployment. As explained by Boltanski and Thévenot (1999: 375), “[i]f we want to understand these puzzling endings we probably must leave the realm of justice, which depends on a principle of equivalence, in order to shift towards other logics of action which [...] put aside the reference to equivalence”. Deterrence can be considered a form of domination logic allowing proponents to prevent or control opponents' behavior through fear of punishment. According to

our analysis this fear can be created by using judiciary and, if needed be, military threats.

9.4 Governing change in the complex organizational settings of TEN-T

Governing change in projects funded under the TEN-T program is highly complex as these take place in multilevel, transnational and pluralist settings. Based on a NPM philosophy, the governance of these projects follows a performative design and takes on effectiveness and efficiency as key organizing principles. It is thus based on a top-down performance management system used by supra-national institutions (European Commission and INEA) to monitor and steer the effective and efficient implementation of projects funded across several Member States. Drawing on Foucault's notion of governmentality, we described this system as a sophisticated assemblage of intellectual technologies (e.g. indicators, reporting systems, assessment techniques, etc.) which ensure that EU-level planned objectives are timely met across all the levels of government concerned by the implementation of projects. The rationale behind this system lies in the NPM belief that public organizations work better when they are oriented toward outputs, rather than being focused on processes. It assumes that all the stakeholders of a project share the same values and objectives. These objectives are known by the management team of a project (officers from concerned departments of the European Commission and national governments, as well as managers from concerned railway enterprises) and can be first formulated and incorporated in a plan and, then, implemented and monitored. Change is thus understood as a linear process in which the project team has full control of over the decision-making - "from the problem definition stage onwards, before proceeding with its implementation, which is monitored using sophisticated evaluation tools" (Pichault 2013: 53) -, and there is no constrain from the organizational environment (e.g. culture, rules, social norms) on the

decision outcome. Our analysis of LT showed that this conception of change is unrealistic.

Drawing on neo-institutionalism, we showed that national institutional arrangements differently influence decision-making at the national levels. This indicates that change, in the transnational settings of TEN-T, is a social process embedded in specific national institutions providing rules for decision-making which interact with the performative decisions taken at the supra-national level. These interactions may have different influences on the governance of funded projects depending on the openness of national regulatory frameworks to the participation of civil society stakeholders in decision-making. According to our findings, national regulatory frameworks opened to stakeholder participation have a positive effect on TEN-T project implementation and this is why we recommend that these types of frameworks ought to be generalized across the Member States. Nevertheless, this is a necessary but not sufficient condition as our analysis indicates that another key aspect of successful implementation for TEN-T projects is the ability of project promoters to establish dialogue and cooperation with civil society stakeholders who oppose the project at the local levels of the Member States.

In the context of TEN-T, civil society opposition to funded projects is not rare. According to our analysis, this is because supra-national and national managerial élites and citizens from the local communities do not share the same interests in society and have diverging views of funded projects. Drawing on Boltanski and Thévenot's Justification Theory, we have showed that a trans-European infrastructure project might be construed differently by managerial élites at the national and supra-national levels and the civil society groups at the local levels.

On the one hand, the European Commission, national governments and rail industries construe these projects as: (1) a step forward towards the creation of

one single European rail market, (2) a great opportunity to provide the rail sector with new infrastructures which will make the railways more competitive than airways and roadways; and (3) a transport mode greener than cars and planes in terms CO2 emissions.

On the other, the civil societies at the local levels of the Member States construe these projects as: (1) unnecessary, because they do not respond to the real needs of citizens (e.g. increasing traffic) but divert public money to investment initiatives that mainly benefits market and corporate interests while destabilizing national welfare systems; (2) harmful for the environment because their environmental impact is often estimated by omitting important variables from the calculations; and (3) imposed, because citizens are often excluded from the decision making process with governments and public administrations operating in obscurity and treating proposals by citizens with contempt.

These competing views between actors make the governance of TEN-T projects a contradicting process marked by politics and conflicts. Our findings suggest that in such contradictory settings, the most traditional NPM linear conception of change – prioritizing governance by plans, and ‘hard look on objectives’ and performance indicators - underneath the current performative design of TEN-T may prove to have disciplinary consequences on those stakeholders groups which do not share the same set of values of the managerial élites. Particularly, we see that this traditional conception narrows public managerial action on performance targets and makes it less responsive to civil society stakeholders' concerns. This is why we recommend thinking more about innovative supra-national performance management systems able to reflect all stakeholders' concerns and favor stakeholders participation at the national levels.

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CONCLUSION

In this PhD dissertation we addressed NPM as a policy paradigm to reform and organize public sectors in the European context. We have defined the policy paradigm as an interpretive framework that guides actors in policy-making; at the same time, a sort of *Weltanschauung* and *Gestalt*. The former refers to the way of seeing and conceiving the world by a civilization living within a specific age, whereas the latter refers to the patterns behind the (individual and collective) ability to acquire and maintain meaningful perceptions of reality in an apparently chaotic world. Albeit different, these two definitions of policy paradigm are complementary. Indeed, the first is more about ideology, that is to say a system of ideas which prevail during a particular historical period and form the basis for economic and political theory and policy. The second is more about the techniques and rules inspired to the prevailing system of ideas and which actors use to cope with the reality they are confronted.

Based on this twofold definition of paradigm, and by adopting a critical stance of analysis, we looked at NPM through the lenses of power. Drawing on Weber (1971), we mean by power the relationship between social actors (individuals, social groups or social classes) and refer to the ability of some actors to achieve their own goals or aims when others are trying to prevent them from realizing them. As we have explained in the introductory chapter of this PhD dissertation, on the one hand, power can be defined at the macro level in terms of social structures where dominant actors seek to substantiate and legitimize their dominant position through ideology. On the other, it can also be seen from a meso level perspective in terms of technologies (set of techniques) and institutions (set of norms, rules and beliefs) that shape actors behavior.

From a macro-level perspective, Part 1 of this PhD dissertation explored (1) the diffusion of NPM ideas in the manifestos of national parties in Europe and (2) the reform process experienced by national rail industries under the influence of these

ideas. Our analysis suggests that, during the 1950s and the 1960s, new institutional economics and public choice theory provided the theoretical for the emergence of a homogeneous system of ideas centered on two key concepts: market and management. These ideas have been spreading in Europe from the late-1970s onwards, mainly due to the political commitment of New Right neoliberal parties operating in national contexts of fiscal stress and poor governmental action. These parties were responding to the demands of a new majority of tax-conscious voters with increasingly high revenues, who urged their national governments to decrease public spending and downsize centralized administrations. We argued that the EU institutions played a key role in this process by using both regulatory and economic instruments. In the rail sector, starting from the 1980s EU institutions engaged in an intense regulatory effort to dismantle vertically integrated state-owned monopolies and create one single European market of rail services. This EU-driven process of reform was based on different regulatory texts (e.g. regulations, decisions, court rulings, directives, etc.) adopting a narrative of freedom. These reforms were construed through the rhetoric of the “four fundamental freedoms”, referring to the free movement of people (passengers), goods (freight), services (transport services) and capital (private investments).

Nevertheless, since the early 1990s, this neoliberal rhetoric of market freedom went hand in hand with a massive program of public investments in trans-European infrastructures (TEN-T), involving an active participation by the European Commission and the governments of the Member States to construct a trans-national interoperable transport system. The governance of TEN-T investments itself was designed on the basis of NPM ideas, prioritizing: (1) explicit standards and measures of performance and ‘hard look’ at objectives; (2) output controls and orientation towards results; (3) discretionary control of

organizations from professional top management; and, (4) stress on discipline in resource use.

From a meso-level perspective, Part 2 of this PhD dissertation addressed the governance system of the TEN-T program - with an in-depth case study of the LT high-speed rail project – and, in so doing, allowed us to explore how NPM ideas translate into action. This part second focused on the way how the NPM logic underneath TEN-T technologies of governance intertwines with national institutions and allows some actors (e.g. European Commission, national governments, lobbies and industry) to achieve their own objectives when others (e.g. individual citizens, civil society organizations and local communities) are trying to prevent them from realizing them.

Juxtaposing the macro and meso levels of analysis: the neoliberal paradox

When juxtaposing our macro- and meso-level analyses of the NPM paradigm, a paradox sharply appears. At the macro level, the neoliberal rhetoric of market freedom has been a cornerstone of EU-driven NPM reforms to railways. In the EU's texts, these reforms were construed through the narrative of the four fundamental freedoms. However, at the meso level these reforms have entailed a massive use of public budgets to build infrastructures, urban planning regulations, administrative and legislative acts, political decisions by executive powers at different levels of government, bureaucratic procedures, rulings by judiciary powers and, if needed be, military deployment.

In his lectures at the *Collège de France* of the late-1970s, Foucault observed that while the neoliberal rhetoric advocates freedom and autonomy, its actual practices entail economic regulation, political decision and rules enforcement. From his standpoint, this happens because neoliberalism is different from the classical liberalism of Adam Smith and of the 19th century. The latter is concerned with

cutting out or contriving a free space of the market within an already given political society, whereas the former is rather concerned with modeling the overall exercise of political power on the principles of a market economy. Neoliberalism takes on the formal principles of a market economy to build a general art of government that he calls 'neoliberal governmentality'. According to Foucault, a key role is played by the development of a theory of pure (or perfect) competition³⁹, providing a theoretical market structure whose formal properties, in abstract terms, could assure economic regulation through the price mechanisms. From this perspective, the core problem of neoliberal policies was precisely to develop the concrete and real space in which the formal structure of competition could function. An example of this formal structure can be quasi-markets, a public sector institutional structure designed to gather the efficiency gains of free markets without losing the equity benefits of traditional administrative systems. Following this line of reasoning, Foucault came to the conclusion that neoliberalism cannot not be identified with the traditional *laissez-faire* liberal idea, but rather with permanent vigilance, activity, and intervention.

Framed with the NPM wave of reform, quasi-markets in Europe have been increasingly apparent as a major development in public services organization from the late 1980s onwards. They have been introduced to force public service providers to compete to provide the best-quality service at the lowest cost (Le Grand 2006). As explained in Part 1 of this dissertation, the creation of quasi-markets in the rail sectors of many European States was driven by EU-level

³⁹ Pure or perfect competition is a theoretical market structure built upon the following assumptions: (1) all firms sell an identical product; (2) all firms are price takers (they cannot influence the market price of their product); (3) market share has no influence on price; (4) buyers have complete or "perfect" information – in the past, present and future – about the product being sold and the prices charged by each firm; (5) resources such as labor are perfectly mobile; and (6) firms can enter or exit the market without cost.

liberalization policies. These policies were implemented by national and supra-national authorities through the use of regulatory and economic instruments aimed at removing existing technical and physical barriers between the European States in order to allow (freight and passenger) trains to travel frictionless across national borders and, in so doing, creating one single, liberalized European market of rail services. On the one hand, regulation (Directive 91/440 and four railway packages in 2001, 2004, 2007 and 2016) was aimed at: (1) unbundling infrastructure management and service operations in the national rail industries; (2) opening the European market to competition by liberalizing the provision of rail services; and (3) promoting interoperability and technical harmonization to encourage the development of an integrated rail system acting as physical basis for a single European rail market. On the other, the TEN-T investment program was aimed at making financial resources available to national governments to construct new rail infrastructures, contributing to the creation of one single interoperable and technically-harmonized trans-European rail network.

The works of du Gay (e.g. 1994, 2012) provide some useful insights to better understand the paradox of such tightly-regulated free markets. He notices that, despite the spreading anti-statist rhetoric of the last century, the State as a bundle of institutions, purposes and conducts still exists and plays an active role in contemporary societies. From his standpoint, one can argue that market freedom cannot function as a transcendental limit on State action because it is itself the product of longstanding sovereign States (whose existence in Europe dates back to the late 16th and early 17th centuries). From this perspective, the economic rights of private undertakings to freely provide transport services in a context of international competition can be better understood as historical entitlements to legal action, contingent upon States' capacities to create and maintain (inter- or supra-) national market-friendly regulatory environments for the free trading of this type of services.

Techniques to intertwine national and supra-national powers

In Part 2 of this PhD dissertation, we did show that without the firm commitment of national governments to the implementation of TEN-T projects, the EU has found it difficult to accomplish the construction of trans-European infrastructures. For example, during the 2000s, it became clear to the European Commission that the number of TEN-T planned projects realized throughout the Member States fell behind the 1996 optimistic development plans. Delays in the completion of these projects were mainly due to the fact that Member States' governments used the TEN-T budget to refund national expenditure already settled, instead of generating additional investments in trans-national infrastructures. As a consequence, in the following years a number of measures were adopted by the EU to compel the national governments to effectively construct trans-European infrastructures. Our analysis led to identify three key techniques to steer the state-level implementation of TEN-T funded projects from the top of EU institutions: (1) a call for projects system based on strict selection criteria; (2) supervision of national authorities by a professional expert appointed by the European Commission; and (3) tight monitoring of performance objectives through a sophisticated assemblage of intellectual technologies.

Firstly, the European Commission applies strict criteria for the selection of projects to be funded by the TEN-T budget. Projects submitted by the Member States to the European Commission for funding must be 'mature'. This means that, priori to submission, candidate projects are required to receive formal approval at all government levels within the Member States. That is to say that these projects: enjoy political commitment, have completed all necessary public consultations, are ready to start from a technical point of view, have received all building permits, public procurement procedures are well advanced, have all necessary financial resources committed and have identified all possible risks.

Secondly, during the implementation of funded projects, the Member States are supervised by a European Coordinator. This is an EU-level officer, appointed by the European Commission because of its professional expertise. His/her role is to support national authorities and rail enterprises in the timely achievement of the milestones and objectives identified by the funding agreement with the European Commission.

Thirdly, the implementation by national authorities and rail enterprises of funded activities is closely monitored by the European Commission and INEA through three key intellectual technologies: SAP, ASR and Mid-Term Reviews. The SAP is a project management document, which identifies the activities national authorities and rail enterprises must carry out, as well as the associated resources and timeline. On the other hand, the ASR is an annual report submitted by the national authorities on the technical progress of a project against the SAP's initial plan, and the associated budget consumption. The Mid-Term review is an assessment exercise steered by the European Commission which aggregates ASR data and classifies projects on the basis of their performance results, measured in terms of accomplishment of planned objectives. National authorities promoting projects classified as ineffective or under-effective undergo several corrective measures (total or partial cancellation of funds, and conditional extension).

Our analysis indicates that, in the context of the LT project, these supra-national techniques exert great influence on the national executive powers, certainly greater than the influence exerted by local citizens and civil society organizations. We see that despite the mass popular protests against the project, national governments prefer to conform to the supra-national agenda of the TEN-T program. They thus go ahead with the implementation of LT to the point of appealing to military and judiciary powers to restrain local dissent and to comply with the funding agreement of the European Commission. Our study seems to

suggest that, in the case of TEN-T, the source of sovereignty has shifted from the popular will of citizens to the technical will of TEN-T officers and managers. Far away from disappearing, State powers exist but reconfigured under a new form of technocratic control.

From bureaucracy to technocracy

Our study indicates that the exercise of technocratic control by (national and supra-national) public authorities is different from the most traditional forms of bureaucratic control as the former has greater adaptation ability than the latter.

Most traditional critiques of bureaucracies suggest that these are *locked-in* systems unable to adapt to the changing nature of their environment as their functioning is based on rigid rational impersonal rules and procedures. As explained by Max Weber (1971), a bureaucracy is an organizational form characterized by the preponderance of rules and procedures that are applied impersonally by specialized agents. These agents apply these rules without discussing the objectives or the reasons behind them. Therefore such systems may end up trapping individuals in an impersonal "iron cage" of rule-based control. As suggested by Merton (1968), within bureaucratic organizations, agents may respect formal rules and procedures even when these are clearly counterproductive for the organizational missions and goals. For Selznick (1943), when bureaucratic organizations are characterized by a high degree of specialization and hierarchical structuration, bureaucrats easily lose sight of the original goals of the organization by generating subgroups and personal interests. Their day-to-day behavior becomes centered on specific problems and proximate goals, having a primarily internal relevance. By pursuing these goals, bureaucrats engage in new activities that come to consume an increasing proportion of their time and thoughts and substitute the activities needed to achieve the official organizational goals. From this perspective, bureaucrats' hidden agenda may lead

to a deflection of the organization from its original path without modifying the formally professed organizational aim. Another important contribution to our understating of bureaucracies is provided by Crozier (1963) who focuses on conflicts and politics as a major source for bureaucratic failures. He explains that, in bureaucratic situations, almost every outcome of individual action is decided in advance on the basis of a set of impersonal and predefined rules. In such bureaucracies, the only way people have to gain some control over their action is to exploit unregulated zones of uncertainty where the outcomes are not already defined by formal rules. He thus sees bureaucratic relations as a set of power relations where agents attempt either to exploit existing areas of discretion to pursue their own personal goals, or to prevent other competing agents from gaining an advantage. As a result, the formal bureaucratic goals are subverted and the organization ends up perpetually locked into a series of inward-looking power struggles. Crozier points out a dramatic paradox where any attempt to use rational rules to make bureaucratic systems more efficient and effective leads to dysfunctional situations where the opposite is true.

Our study on the LT system of governance shows that, at all levels of government, this system has proved to be outward-looking and able to adapt in response to unfolding problems. At the national levels, solutions have been found by going beyond ordinary bureaucratic regulations and by making use of exceptional procedures allowing for greater responsiveness to problems.

At the national levels, the LT governance has mainly transformed as a response to the opposition of local communities to the project. For example, in 2006 the Italian government created an exceptional body chaired by an extraordinary commissioner appointed by the government – so called ‘Osservatorio Torino-Lione’ – to run public consultations with representatives from the opposing groups. This body was used by the project promoters to adapt the project to minor

local requests without altering the fundamental characteristics of the initial project, namely the construction of the base tunnel. On the other hand, in France, in 2003 the project promoters introduced an exceptional administrative procedure – so called ‘*Démarhe Grands Chantiers*’ – to involve local socio-economic stakeholders in the implementation of planned activities. The logic underneath this exceptional device was to use large infrastructure projects as means to boost the local economy by creating employment for the local labor force and market demand for local enterprises. Throughout the 2010s, the exacerbation of local oppositions in both countries led the Italian and French promoters to new daring forms of innovation making use of the military (Italy) and judiciary (Italy and France) powers to control local opposing groups and secure the achievement of objectives planned in the funding agreement with the European Commission.

At the supra-national level, in 2004 the poor cooperation between EU-level bodies and national governments led to the creation of a new coordination and supervision function: the European Coordinator. Most recently, the increasing delays in the accomplishment of TEN-T-funded projects within the Member States have led the European Commission to create the ‘Corridor Forum’, a consultative body chaired by the European Coordinator and opened to various stakeholders coming from the Member States, namely representatives of public authorities - at various levels of government - and railway undertakings. Thanks to this body, the European Commission gets in-depth knowledge of what happens on the construction sites of funded projects and, while keeping a hard look on performance objectives, adapts the management of individual projects to their local realities.

Nevertheless, as we showed in this PhD dissertation, this adaptation followed a disciplinary logic which we have described through the three Foucauldian principles of panoptical control (hierarchical observation, examination and

normalization), increasingly applied to preserve the achievement of planned objectives . The hierarchical observation is used to place stakeholder groups from the Member States under the supervision of nested managerial tiers and establish vertical lines of observation across the multilevel space of the TEN-T program. Examination is used to construct charts revealing performance flaws in the TEN-T's hierarchical structure. Thanks to these charts, the EU bodies at the top of the hierarchy inspect and overhaul the national administrative machineries managing the funded projects. Such examination techniques act as transnational intellectual technologies that allow TEN-T program officers to measure performance differences between national projects and plan the re-allocation of financial resources from low-performing to high-performing projects. As a final step, low-performing projects are sanctioned and conditional measures are applied to correct performance. This is the final phase of normalization during which (1) departures from correct behavior are sanctioned, (2) and rules (e.g. the use it or lose it principle) are applied to homogenize behavior across the TEN-T's structure. Thanks to these three principles of panoptical control, the top-management of TEN-T maintains unity of command over the entire process of program implementation and assures the achievement of planned programmatic goals across the Member States.

Our findings point out the unintended consequences that these supra-national performance-based, panoptical techniques of program management produce at the national levels. As we show, these consequences are due to the fact that EU-level officers running the TEN-T program narrow the focus of their managerial action on output control. They thus divert attention from important-but-unmeasured values while monitoring the performance of funded-projects within the Member States.

Particularly, these techniques narrow the focus of supra-national program officers on the progress made against initial plans and lead them to pay little attention to the interactions between stakeholders taking place within the national contexts. In so doing, performance-based techniques indirectly push national governmental bureaucracies to innovate in perverse ways their broad institutional environment. For example, when the local oppositions intensified in Italy throughout the 2000s and 2010s, the European Commission's concerns were about the delays these oppositions provoked vis-à-vis the existing schedule of project implementation. It therefore decided to apply the use it or lose it principle to normalize the project implementation process to align it with TEN-T's programmatic goals. To prevent further delays – and thus an additional reduction of TEN-T funds due to the application of the use it or lose it principle - the Italian government militarily occupied the construction site of the project. The aim was to discourage any future protest which could delay further the accomplishment of TEN-T's planned objectives. These findings suggest that, when the panoptical techniques of performance management fail to normalize deviant behaviors, top-management levels (e.g. TEN-T supranational bodies) may unintentionally push the lowest levels of the management (e.g. the national and sub-national public authorities in contact with the civil society) to innovate in perverse ways (e.g. overtly displaying coercive power such as the threat of violence) which conflict with important-but-unmeasured values (e.g. democracy, right to participation, equity). In these cases, the panoptical power turns back to old-fashion devices of control relying on violent forms of punishment.

We know from the literature (Radin 2006) that NPM-style performance-based system of governance are herald of performative values which may conflict with the democratic values of an organizational field. This is because their evaluation criteria rely on simplistic, one-size-fits-all solutions that do not correspond to the dynamic reality of organizations and may result into behavior described as tunnel

vision - undue focus on performance measures to the detriment of other areas - and myopia - short-sightedness leading to the neglect of longer-term objectives - (Mannion and Braithwaite 2012; Smith 1995). In these cases, managers and politicians make a “perverse” use of performance information (Kroll 2015, Kalgin 2016, Moynihan 2009) with negative unintended effects on trust and equity (Hvidman and Andersen 2014, Faull 2016). Performance numbers may lead the line management to innovate in perverse ways that narrow the focus on output control and divert attention from important-but-unmeasured values.

TEN-T: the case for hybrid technocratic models

Our findings lead us to depict the performance-based governance of TEN-T as a multilevel and transnational technocratic system. This is a complex (super-) system that is engineered to stand above and, at the same time, envelop several national institutional (sub-) systems. Within this multilevel system, EU-level officers use trans-national intellectual technologies to exert, at a distance, performative pressures on State-level officers. Drawing on Foucault, we have called this complex system *Panopticon*. Performance-based intellectual technologies make the Panopticon highly flexible and adaptable to national institutional machineries of government, but also hierarchical and rigid enough to assure the coherent fulfillment of supra-national predetermined ends within the national contexts. We propose to call this characteristic of the Panoticon *flexigidity*. Thanks to its flexigidity, the Panopticon can smoothly hybridize the national institutional machineries with performative values that are exogenous to national ordinary legislation but coherent with the supra-national policy objectives. It does so without manipulating directly the national institutional frameworks but rather through the creation of performance-based systems of financial incentives which lead national institutional partners (governments, administrative bureaucracies and industries) to do their best to comply with the

supra-national policy agenda. As we have explained before, this panoptical flexigidity may produce unintended consequences at the national levels, such as leading the State-level institutional partners to make use of judiciary and military powers to face the opposition of other institutional stakeholders (e.g. citizens, civil society organizations and local communities).

Our findings suggest that the outcomes of this techno-driven hybridization process much depend on some characteristics of the national institutional systems, namely: (1) decision-making center of the national institutional systems; (2) openness of national regulatory frameworks to civil-society stakeholders participation in decision-making; (3) project officers ability to dialogue and make agreements with contradicting parties; and, (4) mechanisms of dispute resolution.

We could identify two hybrid technocratic models: the techno-political model in Italy and the techno-administrative model in France (Table C.1).

	Italy	France
Decision-making center	Political apex	Administrative structure
Openness of regulatory frameworks to civil society participation	Relatively closed	Relatively opened
Managerial approach to contradicting parties	Either/Or	Moderation
Mechanisms of dispute resolution	<ul style="list-style-type: none"> • Test • Deterrence (judiciary and military powers) 	<ul style="list-style-type: none"> • Test • Deterrence (judiciary power)

Table C.1 – National technocratic models

At the national levels, LT implementation takes place within two different institutional systems with two different regulatory frameworks for the decision-making of large infrastructure projects. In Italy decision-making is mainly concentrated in the political apex of the State machinery with little involvement of civil society, whereas in France it is more shared with the administrative structure and the civil society. Despite different degrees of institutional openness to civil society participation, in both national contexts the project promoters experienced oppositions from local groups of citizens; even though these oppositions were much stronger in Italy than in France. We explain this difference in opposition intensity on the basis of the different approaches of Italian and French project promoters towards opponents.

According to our analysis, a key difference between Italian and French project promoters is their attitude towards civil society oppositions. In Italy promoters were less available to dialogue with opponents than in France. This can be certainly connected with the different configuration of the national regulatory framework of decision-making, less opened in Italy to civil society participation than in France. In Italy, LT promoters followed an ‘either/or approach’ to contradicting parties and marginalized the opponents since the very early-stage of the project implementation. According to Hargrave and Van de Ven (2009: 125), “either/both approaches separate different poles of contradiction, and tend to deny one pole by proceeding as if that pole does not exist, or seek to satisfy one pole while ignoring, or at the expenses of the other”. In France, LT promoters involved opponents in bureaucratic procedures of public consultations since the early-stage of the project implementation. However, as the disruptive potential of opponents’ critiques to the project increased, proponents’ openness to dialogue reduced. These elements suggest that in the French context proponents adopted a ‘moderation approach’ enabling them to live with – but not embrace or resolve – the contradiction between them and local opposition groups (Hargrave and Van

de Ven 2009). In such moderation approach, there is openness to the requests of contradictory parties as long as these requests comply with the planned agenda of proponents.

Additionally, in both national contexts the project promoters decided to solve the controversy with the opponents by using tests rather than compromises. When a party uses a test to solve a dispute with another it more likely aims to prevail over the other through argument and reasoning. Therefore, during a test people might not change their opinion and want to find an agreement through argument and reasoning. Usually, at the end of a test a party is deemed good and the other party is deemed wrong. On the other hand, competing parties using a compromise to solve a dispute more likely accept to reduce their demands or change their opinion in order to reach an agreement. Our case shows that tests failed in both countries, by leading promoters to use judiciary deterrence (e.g. launching lawsuit against activists of the opposition groups) to put an end to their controversy with opponents. In Italy, where local oppositions to the project were particularly intense, deterrence was also based on military deployment.

To summarize, in Italy LT implementation follows a techno-political mode of governance where: (1) the decision-making center is in the political apex; (2) the regulatory frameworks are relatively closed to civil society participation; (3) there is an either/or approach to contradictory parties; and, (4) deterrence by means of judiciary and military powers is used to solve disputes when tests fail. On the other hand, in France LT implementation follows a techno-administrative mode of governance where: (1) the administrative structures play a key role in the decision-making process; (2) the regulatory frameworks are relatively opened to civil society participation; (3) there is a moderation approach to contradictory parties; and, (4) deterrence by means of judiciary powers is used to solve disputes when tests fail.

Managerial contributions: exploring Public Value as an alternative to NPM instrumental rationality

Our study indicates that the NPM model has a performative intent, in the sense that the type of managerial action it produces is inscribed within the logic of means-ends calculation.

The governance of TEN-T is centered on the notion of performance, in the sense of achievement of planned objectives. This is done through indicators representing the project performance in terms of objectives achieved by state-level project promoters against the initial plans agreed with the European Commission. The rationale behind these tools lies in the NPM belief that the public organizations work better when they are oriented toward results, rather than being focused on processes. However, this research has showed that, when translated into practice, this belief may lead the management to strengthen the supervision and control of planned outputs while reducing its openness to stakeholders and its ability to dialogue and find agreements with opponents. From our perspective, this occurs because NPM has a rather linear conception of change. It sees collective decision-making as a rational choice process where all stakeholders share the same set of values and hold homogenous preferences. Nevertheless, our study suggests that this is a simplistic view of collective decision-making as stakeholder groups may behave on the basis of contradicting logics (proponents VS opponents of change) and by responding to different institutional pressures (French VS Italian institutions). From this perspective, change is rather the result of conflicting interests, politics and institutional pressures which, all at the same time, make management a social process, meandering and developing over time.

Our research indicates that performance management instruments narrow the focus of supra-national managerial action on the supervision and control of

project outputs - as measured by performance numbers - and overlook the process unfolding over time within the national contexts involved. This narrow focus may have unintended disciplinarian effects which improve performance at the expenses of important-but-unmeasured democratic values. For example, when the local oppositions intensified in Italy throughout the 2000s and 2010s, the European Commission's concerns were about the delays these oppositions provoked vis-à-vis the existing schedule of project implementation. It therefore decided to apply the use it or lose it principle to normalize the project implementation process to align it with TEN-T's programmatic goals. To prevent further delays – and thus an additional reduction of TEN-T funds due to the application of the use it or lose it principle - the Italian government militarily occupied the construction site of the project, whereas the French one prosecuted the spokesperson of the opposition groups against LT. The aim was to discourage any future protest which could delay further the accomplishment of TEN-T's planned objectives.

Such unintended disciplinarian effects of performance-driven governance pave the way to a wider reflection on the consequences of organizational models that, like NPM, are premised on the logic of instrumental rationality. In this respect, Shenhav (2013) suggests that useful insights are provided by Hannah Arendt's (1963) work on the banality of evil. In this work, she portrays a pathological and malfunctioning rational bureaucracy, motivated by a strong culture of instrumental rationality. Shenhav (2013: 381) draws attention to the manner in which Nazi rational bureaucracies faced unintended consequences and turned into a non-rational death machine: “[the instrumental rationality of these bureaucracies] underscored the deceptive nature of the organizational machinery, the detrimental effects of ideology-based efficiency and the malicious use of bureaucracy's advantages towards genocide”.

Because of such extreme consequences associated with instrumentally-rational organizations, more effort ought to be devoted to a better understanding of alternative models of governance taking on value rationality as organizing principle. Drawing on Max Weber, Rothschild-Whitt (1979) suggests that value rational organizations are evidenced by actions that put into practice people's convictions. In ideal-typical terms, he depicts these organizations as fully collectivized democracies which explicitly reject instrumentally-rational managerial action in favor of value-rational behavior.

In Part 2 of this PhD dissertation, we suggested that the Public Value (PV) framework (Moore 1995, O'Flynn 2007, Stoker 2006) can be a suitable democracy-based model of governance alternative to NPM. As we explained, the PV perspective abandons NPM's mono-centric and mono-rational vision all to the good of a poly-centric and poly-rational vision where the core of public decision-making is stakeholder participation. PV shifts the focus of public action from results to citizenship, network governance and the role of public agencies in working with citizens to create public value, generate democratic authorization, legitimacy and trust. According to Stoker (2006), the PV paradigm promotes alternative management systems functioning through dialogue and exchange practices associated with network governance (Powell 1990). He believes that it is through the construction, modification, and adaptability of these alternative systems that democracy and management can be reconciled and delivered. Bozeman (2002) introduces the notion of public-value failures, occurring when core public values are not reflected in social relations, either in the market or in public policy. From his perspective, "a public-failure approach changes the discussion of public policy by making government (and public values) something other than residual category or an issue of technical efficiency in pricing structures. [...] The public-failure model is not a decision-making tool (à la cost-benefit analysis), but a framework to promote deliberation about public value"

(Bozeman 2002: 150). According to this perspective public value does not exist per se, but it is negotiated and constructed among wide-ranging stakeholders who may disagree on what course of actions will produce the maximum public value (Yang and Holzer 2006, Sanger 2008).

Based on the findings of Part 2, we can develop a PV-style ideal-type of EU megaprojects governance (Table C.2). The characteristics of this model are the polar opposite of the existing TEN-T panoptical model and can be described on the basis three key variables: (1) supra-national systems of performance management; (2) national regulatory frameworks for the decision-making of large infrastructure projects; and, (3) managerial approach to stakeholders with divergent views of projects.

Key variables	PV-style model
Supra-national systems of performance management	Performance indicators (1) constructed on the basis multi-criteria assessment techniques and (2) subject to stakeholder bargaining
National regulatory frameworks for the decision-making of large infrastructure projects	Regulatory frameworks opened to the participation of <i>all</i> concerned stakeholders
Managerial approach to stakeholders with divergent views of projects	High managerial capacity of integrating stakeholders with divergent views of projects and making agreements with them

Table C.2 – PV-style ideal-type of EU megaprojects governance

Essay 4 indicates that the NPM-style performance management systems used in TEN-T narrow public managerial action on performance targets and make it less

responsive to stakeholders' concerns, with detrimental disciplinary consequences on stakeholders interactions. Therefore, this essay recommends adopting innovative supra-national performance management systems reflecting all stakeholders concerns. Drawing on the academic literature on polyphonic management (Hazen 1993; Clegg et al. 2006; Pichault 2013), this could be done by designing systems of performance management where all stakeholders' multiple representations of and expectations on the organizational performance are taken into account to construct indicators. As explained by Pichault (2013), the polyphonic approach to monitoring and evaluation sharply contrast with the most traditional NPM (panoptical) approach. The latter searches for control and correspondence (accomplishing objectives established in advance) whereas the former proposes evaluations "in several voices" with all concerned stakeholders involved in the process. We think that adopting such polyphonic approach to performance management at the supra-national level may have positive effects on stakeholders engagement at the national levels. Moreover, it represents a step forward toward the PV belief believing that public initiatives ought to be evaluated on the basis of multi-dimensional assessment criteria subject to stakeholders bargaining (e.g. Andersen et al. 2012)

Essay 5 shows that, at the national levels, TEN-T projects take place within different Member States with different regulatory frameworks for the decision-making of large infrastructure projects. Our findings indicate that these frameworks may be more or less opened to civil society stakeholders participation in decision-making and may variously impact the project implementation process. Particularly, our work points out that the openness of regulatory frameworks to stakeholders participation is an important condition for the successful implementation of TEN-T projects at the national levels. Therefore, we recommend generalizing this type of frameworks across the Member States. This is consistent with the PV belief that public decision-making frameworks ought to

involve all stakeholders in decision-making and promote deliberation about public value (e.g. Bozeman 2002).

Our analysis also indicates that opening State-level decision-making structures to civil society stakeholders participation is a necessary but not a sufficient condition for successful projects. In fact, essay 6 shows that oppositions to these projects also develop in institutional contexts (e.g. France) where regulatory frameworks are relatively opened to stakeholders participation. According to our analysis, this happens because TEN-T projects might be construed differently by managerial élites at the national and supra-national levels and the civil society groups at the local levels. According to our findings, these different stakeholders views on a project may generate controversies which have detrimental effects on its implementation. Therefore, the ability of public managers to dialogue and make agreements with all civil society stakeholders is a key factor for the successful implementation of TEN-T projects. Such capacity of promoting agreements among all concerned stakeholders is a key aspect of the PV paradigm believing that public value does not exist per se, but it is negotiated and constructed among wide-ranging stakeholders who agree on what ought to be considered of public value (Bao et. al 2012)

From a change management perspective, the PV model invites to think the governance of TEN-T projects as an iterative and negotiated process where the management involves all concerned stakeholders both in the formulation and implementation of objectives. Stakeholders participate in this process since the early-stages of decision-making by providing inputs during the all life-cycle of projects, including both formulation and implementation phases. In so doing, projects are collectively constructed and can best respond to the needs of all concerned stakeholders. This style of change management can be defined polyphonic. As explained by Pichault (2013), polyphony is the polar opposite of

panoptism. The latter proposes a governance style based on control and homogenization, top-down management and rationalization strategies. Whereas the former invites to promote autonomy and diversity of interests, bottom-up management and negotiation strategies. Polyphony can be thus considered an essential component of future PV models.

The PV model proposes a fully collectivized democratic decision-making process where all concerned stakeholders participate to the government of society. Nevertheless, as explained by Rothschild-Whitt (1979), one ought to be aware of the various constraints that limit the actual attainment of pure collectivist democracies. Firstly, democracy takes time. Two-way communication structures between public managers and citizens, such those proposed by PV theorists, are undeniably slow and the time absorbed by meetings can be extreme. Secondly, cultural homogeneity may be another problem. In the absence of any hierarchical (bureaucratic or technocratic) structure that unites the energies of diverse people toward organizational goals, unified action in collectivist organizations is possible only if individuals hold homogeneous preferences about the goals and processes of the organization. Nevertheless, such homogeneity may end up constraining the social base of democratic organizations. Thirdly, emotional intensity may burden decision-making. Rothschild-Whitt (1979: 521) suggests that “familial, face-to-face relationships in collectivist organizations may be more satisfying than the impersonal relations of bureaucracy, but they are also more emotionally threatening”. Therefore, these relationships may result into structural, interpersonal tensions that render conflict difficult to absorb. Fourthly, environmental constraints threaten the survival of alternative collectivist organizations. These organizations are subject to external institutional pressures. As explained by Rothschild-Whitt (1979: 522), “because [alternative organizations] often occupy an adversary position vis-à-vis mainstream institutions, such pressures may be more intense”. Particularly, extra-

organizational pressures – coming from legal, economic, political and cultural realms – may insulate the collectivists organizations from the resources they need to survive.

Vis-à-vis these limits to the attainment of pure collectivist organizations, hybridization with efficiency-driven models could be a solution. As explained by Battilana and Dorado (2010), hybrid organizations are characterized internally by the co-existence of multiple logics which all together contribute to shape the legitimate organizational goals and the means to pursue them. Nevertheless, they explain that dealing with multiple logics “is challenging for organizations because it is likely to trigger internal tensions that may generate conflicts among organization members” (Battilana and Dorado 2010: 1420). Therefore, they suggest that it is crucial for these organizations to develop strategies enabling them to cope with intra-organizational tensions. One strategy they suggest is to develop a common organizational identity that strikes a balance between the logics that the organization combines, so to prevent the emergence of subgroups whose different identities exacerbate the tensions between the co-existing logics. Drawing on Van Maaned and Schein (1979), the authors say that this can be done, for example, through hiring policies, defining who can become an organization member, and socialization policies, teaching and reinforcing desired behaviors and values of the organizational members.

Theoretical contributions and future research lines on complex organizational change

First of all, this PhD dissertation contributes to develop further Pettigrew’s original contextualist framework by integrating it through theoretical pluralism. Van de Ven and Scott Poole (1995) explain that to understand how organizations change, management scholars often need to borrow concepts, metaphors, and theories from many different disciplines. It is the interplay between these different

perspectives that helps one gain a more comprehensive understanding of organizational life, because any one theoretical perspective invariably offers only a partial account of a complex phenomenon. One of his seminal articles suggests that: “the juxtaposition of different theoretical perspectives brings into focus contrasting worldviews of social change and development. Working out the relationships between such seemingly divergent views provides opportunities to develop new theory that has stronger and broader explanatory power than the initial perspectives.” (Van de Ven and Scott Poole 1995: 511). Following Pichault (2013), we suggest that Pettigrew’s contextualist methodology may play an important role to articulate multiple theoretical lenses within a coherent framework of analysis: “Contextualism is not an explanatory approach strictly speaking; rather, it proposes a general analytical framework which different approaches may fit into. It places the emphasis on three key concepts and their interrelations: content, context and process” (Pichault 2013: 68).

Secondly, this PhD dissertation suggests that using Pettigrew’s contextualism in conjunction with theoretical pluralism enables to disentangle politics from management. Therefore, it may contribute to a critical study of change management, which goes beyond the most traditional planning tradition. More in detail, the neo-institutionalist lens of analysis reveals the strong influence of national regulatory frameworks on the success of megaprojects. It thus suggests that change management is a social process embedded in specific institutional arrangements, rather than the mere execution of top-down plans. The lens of justification theory shows that managerial groups and civil society groups may have divergent interests which make change management a contradicting process (rather than linear). The lens of Foucault’s theory of power shows that performance management systems are not neutral devices to assess and monitor performance. These can be rather used as ‘intellectual technologies’ enabling the top management to control stakeholders interactions at the lowest levels. Broadly

speaking, this dissertation suggests that change is a non-linear process whose direction is influenced by structural and agency variables. On the one hand, we pointed to two types of structural variables: the institutions (established systems of rules, norms and beliefs) that frame the decision-making about the content of change; and, the techniques managerial élites (often in the form of experts) use to represent, evaluate and debate change ('intellectual technologies'). On the other, we pointed to the purposive actions of divergent stakeholder groups resisting against the current techno-institutional arrangements by espousing contradicting views on change. These views lead to conflicts (controversies) between the managerial élites and the stakeholders groups contradicting them, which shape the process of change itself. All at the same time, institutions, technique and social contradictions seem to be key drivers of change. This finding invites to think more at the dualism of structure and agency vis-à-vis problems of change. It suggests that the issue of socialization against autonomy in determining change is a false dilemma since agency and structure permanently coexist and both contribute to shape change.

Additionally, drawing on Horkeimer's (1937) critical theory tradition, this PhD dissertation invites to think the critical study of management and organizations as an attempt to analyze the deep significance of the 'ruling understandings' of society in order to unravel the underlying asymmetrical power relations between individuals and/or between groups of individuals. The idea here is to unpack the partiality of shared interests and point at the latent social conflicts. In so doing, such critical approach aims to show how these ruling understandings are ultimately ideology-based understandings, which misrepresent actual human interactions in the real world, and act to justify or legitimize the domination of people by ruling élites. This PhD dissertation challenged the ruling understanding of NPM theories of public sector management as a technical, rational analytic and evidence-based domain by shedding light on its ideological base. Additionally, by

analyzing the case of the LT project of the TEN-T program, we looked at the way how NPM principles translate into action, with particular attention on the control mechanisms and conflicts resulting from the application of these principles.

Thirdly, from a change management perspective, this PhD dissertation indicates that the traditional NPM model may lead to unintended disciplinarian consequences on stakeholders participation. When turned into practice this model may convey a panoptical style of governance based on control and homogenization, top-down management and rationalization strategies. According to our analysis, this is due the fact that this model of public sector organization is premised on the logic of instrumental rationality. Its functioning prioritizes the efficient and effective achievement of hierarchically predetermined ends, with hard look of managers on top-down rationalist performance targets and little room for stakeholders' bottom-up contributions to these ends. We therefore suggest it is important to explore alternative models which explicitly reject instrumentally-rational managerial action in favor of value-rational managerial practices. We explored the PV model as a suitable democracy-based model of governance alternative to the NPM performance-based panoptical model. Thanks to its stress on stakeholders participation, diversity of interests and bottom-up management (Pichault 2013), polyphony as a style of governance can be considered an alternative to the traditional paoptical style and an important component of future PV models.

Fourthly, this PhD dissertation suggests that using Pettigrew's contextualism in conjunction with theoretical pluralism provides useful support to design research programs on change in highly complex organizational settings. Indeed they were so the multilevel, transnationl and plural settings of our case study. Pettigrew et al. (2017) say that, to understand the complex issues of change in our contemporary societies, new perspectives are required go beyond organizations or

institutions, as well as the fields of management and organization studies. They thus propose the perspective of system-wide change referring to a process of change where multiple, interrelated changes take place across the system as a whole. Ferlie et al. (1996) use the notion of system-wide change to describe the structural and processual kinds of change that UK's National Healthcare System (NHS) experienced in the 1990s with the implementation of the NHS and Community Care Act. In so doing, they show how NPM reforms to NHS at the macro-level entail fundamental changes at the meso-level of NHS organizations, such as the expanding role of general management, the increasing importance of financial and costing data, and the move from management by hierarchy to management by contract. They thus conclude that: "the introduction of New Right ideologies relating to markets and competition and the increasing level of managerialism have structural manifestations but how far this process has affected organizational behavior and values needs to be more closely examined for a clearer understanding of the new public management to emerge" (Ferlie et al. 1996: 55).

In this PhD dissertation we followed this research line by adopting the paradigm as main subject of analysis in the design of our enquiring process on NPM. As a first step, we observed it at the macro-level to understand the politico-economic context which has birthed this paradigm, but also to understand the structural changes it has introduced in the European rail industry. As a second step, we directed our attention to the meso-level processes associated with the structural changes experienced at the macro-level of the European rail industry. In so doing, we provided an explanation of how NPM-related structural processes have an effect on organizational behavior. To conclude, we think that, from a system wide-change perspective, this PhD dissertation suggests some lines of investigation.

As referred by Pettigrew et al. (2017), system wide-change studies include multiple and geographically dispersed stakeholders, divergent interests and values, dispersed and diffused power systems and the perpetual challenge of delivering collective action around change issues which themselves are variously perceived and acted upon. All these features of system wide change apply to our PhD research which examined the implementation of NPM models in the multi-level, trans-national and pluralistic settings of EU-driven railway megaprojects. As Pettigrew et al. (2017) suggest, adopting a system-wide change perspective in such complex settings, perennially involve Sterman's (2001) combinatorial and dynamic complexity. They explain that Sterman characterizes combinatorial complexity as involving multiple, diverse, and inter-connected elements which, all at the same time, need to be understood as a dynamic system in action. From a system wide-change perspective, collective action becomes thus a key research topic. Particularly, as the authors suggest, understanding where public action occurs, when it occurs, how it occurs and why it occurs represent central research questions for any program of research on system wide change.

As for *where*, our dissertation suggests that a system-wide change might be *multi-level* and *poly-jurisdictional*. It is multi-level because decision-making may articulate across different governance levels and, as we show in the LT case, may be dispersed from the national to the supra-national levels. It is poly-jurisdictional because, as we show, decision-making may articulate across different national jurisdictions with equal sovereign powers but different institutional systems in place.

As for *when*, this dissertation suggests that a system-wide change might be *multi-temporal*. In our case study, depending on the time boundaries we decide to apply, LT may be considered as the result of: (1) long-term structural changes in the re-organization of rail service provision in Europe from multiple state-owned

monopolies to a single European liberalized market (macro); (2) middle-term changes in the EU's mechanisms that govern the implementation of the TEN-T program (meso); (3) short-term changes related to particular events affecting stakeholders interactions in their day-to-day activities, such as the approval of an agreement, the emergence of a controversy, the release of a report or, still, the adoption of this or that methodology in the conduct of a study (micro).

As for *how*, our dissertation suggests that a system-wide change might be *pluralistic, non-linear* and *dialectical*. It is pluralistic because, as we show in the LT case, wide-changing systems may be characterized by the co-existence in the field of divergent actor groups, each with its own legitimate set of beliefs and objectives. Specifically, these groups may be characterized by divergent interests and asymmetric distributions of power which both may lead them to espouse competing institutional logics. For example, this is the case of the competing logics espoused by LT proponents and opponents in our study. The pluralistic settings of wide-changing systems may give birth to non-linear processes where changes of the output (e.g. LT performance) are not directly proportional to changes of the input (top-management or political plans about LT). In fact, as we show, such non-linearity depends on the fact that strategic decisions are not simply taken at the top of organizations and implemented down through hierarchies; rather, they are influenced by many intra- and extra-organizational members whose different logics shape the process in many different, unpredictable ways. Moreover, our findings suggest that dialectics might be a useful perspective to interpret non-linear change at the processual level. As suggested by Hargrave and Van De Ven (2009: 122), "in dialectical processes, change emerges from interactions between proponents of current institutional arrangements and parties espousing contradictory arrangements. The new arrangements that emerge are then challenged by proponents of alternative arrangements as the dialectical process recycles". These authors thus hold that contradictions are central to

dialectical processes of change and it is not possible to understand the perspective of proponents for an institutional change without examining the views of opponents. By drawing on Werner and Baxter (1994) they define a contradiction as the dynamic tension between unified opposites in a system. Thus, contradictions are more than dualities and exist only when there is dynamic tension between oppositions that are interdependent, which together compose a unity, and which logically presuppose each other (Hargrave and Van De Ven 2009).

As for *why*, our dissertation indicates that understanding the cause-effect chains underpinning system-wide change is a complex task. As we have showed, in the case of LT change is at the same time the result of structural (openness of national institutional systems to civil society stakeholders and supra-national systems of performance management) and agency variables (promoters' capabilities to make agreements opponents). This suggests that researchers willing to study system-wide change ought to move beyond the dualism of structure and agency. Our findings lead us to think that the issue of socialization against autonomy in determining whether an individual acts as a free agent or in a manner dictated by social structure is a false dilemma since agency and structure permanently coexist and both contribute to shape change. In this regard, Granovetter (1985: 487) has argued that "actors do not behave or decide as atoms outside a social context, nor do they adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy. Their attempts at purposive action are instead embedded in concrete, ongoing systems of social relations." Therefore, agency and embeddedness are in constant tension and equally affect change. Seo and Creed (2002) refer to this tension as the "paradox of embedded agency", corresponding to the paradox existing between institutional determinism and agency. From our standpoint, adopting a contextualist perspective may help

reconciling this paradox as it views actors as being embedded in a context and as reacting to the situations they face in this context.

As Pettigrew et al. (2017: 3) refer, doing research on system wide change demands “data sensitive and data intensive studies likely to involve, amongst others, societal and policy elites. Whereas some of these studies can and will be attempted by aspirational individuals, others may necessitate the recruitment and perpetuation of teams of scholars sometimes located across disciplines and fields in particular societies and sometimes on a cross national scale and scope. The study of big themes may necessitate the recruitment and development of big teams.” As we have experienced throughout the research process of this PhD dissertation, access to fieldwork may be very complex, whereas societal and policy elites may not always been available to be involved as their political agenda might be misaligned with that of academic elites. As a consequence, alternative strategies of data collection need to be developed. In this dissertation, we have showed that second-hand surveys - from reliable institutional sources (e.g. EU, OECD, World Bank, etc.) - may provide very useful insights in the study of macro-level processes. Additionally, the use of statistical software to analyze large databases may be very important, provided that these tools are employed to describe and not to predict reality. Mixed research methods are thus very important and, as we have done throughout the past four years of research in Lentic, require the creation of transnational and inter-disciplinary networks of researchers. Finally, mobilizing multiple theories – rather than relying on one single theoretical framework – appears to us as an important asset for research on wide-system change as the complexity of the phenomenon under observation might require researchers to disentangle processes which might be very different in essence.

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ANNEXES

ANNEX I – Full list of interviewees

Fidelwork period: from June 2014 to May 2016

N°	Role	Organization	Day
1	Public officer	European Commission, DG MOVE	26/06/2014
2	Public officer	European Commission, DG MOVE	16/07/2014
3	Public officer	European Commission, DG MOVE	3/10/2014
4	Public officer	European Commission, DG ENTR	10/09/2014
5	Project Manager	European Commission, INEA (Executive agency)	26/06/2015
6	Program Manager	European Commission, INEA (Executive agency)	03/10/2014 & 17/10/2014
7	Public officer	European Parliament, DG IPOL - Directorate for Structural and Cohesion Policies - Committee on Regional Development	26/11/2014
8	Public officer	European Parliament, DG IPOL - Directorate for Structural and Cohesion Policies - Policy Department B	28/11/2014
9	Public officer	European Parliament, DG IPOL - Directorate for Structural and Cohesion Policies - Policy Department B	19/11/2014 & 21/11/2014
10	Public officer	European Parliament, DG IPOL - Directorate for Structural and Cohesion Policies - Policy Department B	18/11/2014
11	Parliamentary Assistant	European Parliament,	26/06/2015

12	Parliamentary Assistant	PETI (EFDD-M5S)	(collective interview)
13	Parliamentary Assistant	European Parliament, TRAN (PPE-NCD)	8/07/2015
14	Parliamentary Assistant	European Parliament, TRAN (PPE-FI)	10/07/2015
15	Parliamentary Assistant	European Parliament, TRAN (PPE-UMP)	10/07/2015
16	Parliamentary Assistant	European Parliament, TRAN (Verts)	17/07/2015
17	Lobbyist	CER	5/09/2014
18	Lobbyist	CER	21/10/2014
19	Lobbyist	EIM	24/07/2014
20	Lobbyist	UNIFE	18/06/2014
21	Lobbyist	PPTA	30/10/2014
22	Executive officer in charge of competitiveness issues at EU	Rhône Alpes Region	4/07/2014
23	Executive officer in charge of LT	Rhône Alpes Region	24/02/2015
24	'Représentant Adjoint'	SNCF	30/09/2014
25	Regional Manager (Rhône Alpes Auvergne)	RFF/SNCF RESEAU	17/04/2015
26	Director in charge of sustainable development policies	Permanent Representation of France in Brussels	24/06/2014
27	Executive officer in charge of LT	Préfecture de la Savoie	23/03/2015
28	Secrétaire général de la délégation française à la CIG Lyon - Turin	Transport Ministry	13/05/2015
29	Secrétaire général	Transalpine Lobby	17/02/2015
30	Executive officer in charge of LT	Département de la Savoie	18/03/2015

31	Executive officer in charge of large infrastructures	DREAL-Rhône Alpes (état en région)	25/03/2015
32	Executive officer in charge of transport policy	Permanent Representation of Italy in Brussels	21/08/2014
33	Chairman advisor	Osservatorio Torino-Lione	3/12/2014
34	Advisor of local authorities	Osservatorio Torino-Lione	5/11/2014
35	Public officer at the Directorate General in charge of territorial development, planning and international projects	Ministry of Infrastructure and Transport	6/05/2015
36	Executive manager	Transpadana Lobby	27/10/2014 & 10/11/2014
37	Council member in charge of environmental policy	Comunità Montana	19/11/2014
38	Advisor of the Director in charge of territory and transport policy	Provincia di Torino	28/10/2014
39	Director of the Department in charge of sustainable development policy	Provincia di Torino	10/11/2014
40	Executive officer in charge of EU affairs	Piedmont Region (Brussels office)	15/07/2014
41	Director of the Directorate in charge of environmental and territorial policy	Piedmont Region	17/11/2014
42	Member of the advisory team supporting the Directorate in charge of transport, infrastructures, mobility and logistic policies	Piedmont Region	28/10/2014

43	Head of office in charge of international affairs	FS (Brussels office)	2/10/2014 (collective interview)
44	Assistant of the Head of office		
45	Project manager in charge of legal and financial issues	Lyon-Turin Ferroviaire	13/01/2015
46	University professor	University of Lyon	24/09/2015
47	University researcher	University of Lyon	16/03/2016
48	Spokesperson of activist groups	Coordination des opposants au Lyon Turin	5/05/2016
49	Activist	Coordination des opposants au Lyon Turin	30/03/2016
50	Activist	Coordination des opposants au Lyon Turin	31/03/2016
51	Railway expert	Coordination Jura-Alpes-Méditerranée	31/03/2016
52	Mayor	Commune de Chimilin	22/03/2016
53	Activist	Coordination des opposants au Lyon Turin	15/04/2016
54	Activist	Coordination des opposants au Lyon Turin	7/04/2016
55	Transport expert	Consultancy firm	7/04/2016
56	Candidate for local elections	Debout la France	15/07/2016
57	Activist	NOTAV movement (Pro Natura Association)	16/10/2015 & 20/10/2015
58	Activist	NOTAV movement (Pro Natura Association)	19/10/2015
59	Activist	NOTAV movement (Presidio Europa Committee)	12/10/2015
60	Activist	NOTAV movement (Presidio Europa Committee)	13/10/2015
61	Activist	NOTAV movement (Presidio Europa Committee)	13/10/2015

62	Activist	NOTAV movement (Presidio Europa Committee)	1/09/2015
63	Activist	NOTAV movement (Susa Committee)	15/10/2015 (collective interview)
64	Activist		
65	Activist		
66	Activist		
67	Activist	NOTAV movement (Habitat Committee in Borgone)	15/10/2015 & 20/10/2015
68	Retired railway engineer	NOTAV movement (Technical Committee)	12/10/2015 & 21/10/2015
69	Activist	NOTAV movement (Technical Committee)	28/09/2015
70	University Professor	University of Turin	14/10/2015
71	University Professor	University of Turin	4/02/2015
72	Deputy Mayor	Municipality of Almese	19/10/2015
73	Mayor	Municipality of Sant'Ambrogio	22/10/2015
74	Senator	Senate of the Italian Republic (M5S)	16/10/2015
75	Council member	Assembly of the Piedmont Region (M5S)	14/10/2015
76	Activist	NOTAV movement (Presidio di Borgone)	23/10/2015 (collective interview)
77	Activist		
78	Activist		
79	Activist		

ANNEX II – List of acronyms

ACRONYM	DESCRIPTION
CdC	The "Cour des Comptes" (CdC) - in English Court of Auditors - is a French administrative court charged with conducting financial and legislative audits of most public institutions and some private institutions, including the central Government, national public corporations, social security agencies (since 1950), and public services (since 1976). The Court is essentially a cross between a court of exchequer, comptroller general's office, and auditor general's office in common-law countries. It is as well a Grand Corps of the French State mainly recruiting among the best students graduating from the Ecole nationale d'administration. The Court's three duties are to conduct financial audits of accounts, conduct good governance audits, and provide information and advice to the French Parliament and Administration. The Court verifies the good form of accounting and the proper handling of public money.
CEF	The Connecting Europe Facility (CEF) is a key EU funding instrument to promote growth, jobs and competitiveness through targeted infrastructure investment at European level. It supports the development of high performing, sustainable and efficiently interconnected trans-European networks in the fields of transport, energy and digital services. CEF investments fill the missing links in Europe's energy, transport and digital backbone. The CEF is divided into three sectors: (1) CEF Energy; (2) CEF Telecom; and (3) CEF Transport. CEF transport has replaced TEN-T and has two key policy objectives: (1) completion by 2030 of the Core Network, structured around nine multimodal Core Network Corridors; and, (2) completion by 2050 of the Comprehensive Network in order to facilitate accessibility to all European regions

CGPC	The "Conseil général des Ponts et Chaussées" (CGPC) - in English Civil Engineering General Council - is one of the oldest institutions in France and the direct heir of the assembly of inspectors general of bridges and roads, which met regularly from 1747 under Daniel-Charles Trudaine. The CGPC was set up on 25 August 1804 by decree. It has been reorganized into the Conseil général de l'environnement et du développement durable
CIG	A Conférence Inter-Gouvernementale (CIG) is a roundtable of diplomats, usually plenipotentiaries, delegated by their governments to prepare an international treaty or modify an existing one. It hosts negotiation between governments that plays a major role in international relations. Today, in France four CIG regards Franco-Italian relations in the field of transport: the Lyon-Turin CIG, the Frejus CIG, the Mont-Blanc CIG and the Southern Alps CIG (see Sutto 2010)
CIPE	The "Comitato interministeriale per la programmazione economica" (CIPE) is an Italian state body established by law February 27, 1967, n. 48, art.16. The Committee is chaired by the President of the Council of Ministers. Other members are the Minister of Economy and Finance, who is its Vice-President, and the Ministers for Foreign Affairs, Economic Development, Agricultural, Food and Forestry Policies, infrastructure and transport, labor and social policies.
EEIG	A European Economic Interest Grouping (EEIG) is a type of legal entity created on 1985-07-25 under European Community (EC) Council Regulation 2137/85. It is designed to make it easier for companies in different countries to do business together, or to form consortia to take part in EU programmes.
FS	Ferrovie dello Stato (FS, tr. "Italian State Railways") is a government-owned holding company that manages infrastructure and services on the Italian rail network.

INEA	<p>The Innovation and Networks Executive Agency (INEA) is the successor of the Trans-European Transport Network Executive Agency (TEN-T EA), which was created by the European Commission in 2006 to manage the technical and financial implementation of its TEN-T programme. INEA officially started its activities on 1 January 2014 in order to implement the following EU programmes: (1) Connecting Europe Facility (CEF); (2) Parts of Horizon 2020 – Smart, green and integrated transport + Secure, clean and efficient energy; (3) Legacy programmes: TEN-T and Marco Polo 2007-2013</p>
LTF	<p>Lyon Turin Ferroviaria (LTF) was subsidiary of RFF and RFI. LTF was the early developer of the joint French-Italian part of the future rail link between Lyon and Turin. In 2015, it has been replaced in that role by TELT, with the same staff and leadership.</p>
OTL	<p>The "Osservatorio Torino-Lione" an extra-ordinary body created in 2006 by the incumbent government to establish a dialogue between LT proponents and local opponents from the Susa Valley. Until the late-2000s, the OTL hosted many meetings during which the most controversial aspects of the project were debated. It was chaired by an extra-ordinary commissioner appointed by the government.</p>
RFI	<p>Rete Ferroviaria Italiana (RFI) is an Italian company, subsidiary of FS. RFI is the owner of Italy's railway network, it provides signalling, maintenance and other services for the railway network. RFI was founded on 1 July 2001 following the European directive on rail transport, imposing a separation between the owner and the user of the network. The Italian rail network used to be managed by FS until 2001.</p>
TAV SpA	<p>Treno Alta Velocità SpA (TAV SpA) was a mixed company owned by FS and other financial institutions. It was created in 1991 for the planning and construction of a high-speed rail network in Italy. In 2010, it closed and was absorbed by RFI.</p>

Tecnocity	Associazione Tecnocity was a foundation controlled by FIAT (the largest Italian automobile manufacturer founded by the Agnelli family) and IFI (an Italian investment company controlled by the Agnelli family)
TELT	Tunnel Euralpin Lyon Turin sas (TELT) is a French company created in 2015 by SNCF and F and based in Le Bourget-du-Lac, in the department of Savoie (France). The functions and structure of TELT were defined by articles 6-7 of the agreement between the Italian and French governments of 30 January 2012. Its mission is the construction and management of the transalpine rail link Lyon - Turin.
TEN-T/TENs	The Trans-European Transport Networks (TEN-T) are a planned set of road, rail, air and water transport networks in the European Union. The TEN-T networks are part of a wider system of Trans-European Networks (TENs), including a telecommunications network (eTEN) and a proposed energy network (TEN-E or Ten-Energy). The European Commission adopted the first action plans on trans-European networks in 1990
NOTAV	"No Treno ad Alta Velocità" (NO TAV) - in English No to the High Speed Train - is a grassroots movement, which is based in the Susa Valley in Piedmont and which opposes the creation of the new high speed railway line between Turin and Lyon in France. This line is part of a EU infrastructure policy which plans to connect Lyon to Budapest and then onto Ukraine. The simple principle behind the movement is that a new high speed railway line in the Valley is completely useless and not needed, its only purpose being the profit of the many private companies that have shares in it. The NO TAV movement thinks that the current railway line between Piedmont and France is more than sufficient, considering that traffic in the area has never been incredibly high. More importantly, the construction of the line would utterly and irreversibly destroy a huge part of the Susa Valley, causing not only an environmental but also an economic and social disaster, with businesses closing down and villages being completely disfigured or disappearing.

ANNEX III – List of semantic descriptors for NVivo analysis in Essay 6

Inspirational world

Religion OR religione OR religion OR inconsciente OR unconscious OR inconscienti OR inconscient OR émotif OR émotive OR émotionnel OR émotionnelle OR emotional OR feeling OR sentiment OR feelings OR sentimento OR sentimenti OR sentiments OR irrational OR irrationnel OR irrazionale OR irrazionali OR irrationnels OR reflex OR riflesso OR réflexe OR réflexes OR riflessi OR invisible OR invisibile OR invisibili OR unmeasurable OR incommensurable OR incommensurabili OR incommensurable OR incommensurables OR magic OR magico OR magici OR magique OR magiques OR myth OR mito OR mythe OR mythes OR ghost OR fantasma OR fantasmi OR ghosts OR fantôme OR fantômes OR anthroposophy OR antroposofia OR anthroposofie OR super-human OR sovrumano OR sovraumana OR surhumaine OR surhumain OR affective OR affettivo OR affettivi OR affectif OR affective OR affettiva OR affettive OR affectifs OR affectives OR warmth OR calore OR chaleur OR creativity OR creatività OR créativité OR escapism OR evasion OR evasion OR intuizione OR intuition OR fantastic OR fantastico OR fantastique OR ricordo OR ricordi OR memories OR souvenir OR souvenirs OR genius OR genio OR genie OR genies OR fascino OR fascination

Green world

Vita OR life OR lives OR vie OR vies OR Environment OR ambiente OR Environnement OR ecological OR ecologico OR écologique OR écologiques OR ecologici OR natura OR nature OR plants OR pianta OR piante OR plante OR plantes OR climate OR clima OR climat OR waste OR rifiuto OR déchets OR protezione OR protection OR climatico OR climatique OR radioactive OR radioactif OR radioattivo OR inquinamento OR pollution OR CO2 OR emissions OR émissions OR émission OR emission OR riscaldamento OR warming OR réchauffement OR catastrophe OR catastrofe OR terre OR terra OR earth OR landscape OR paesaggio OR paysage OR durabilité OR sustainability OR sostenibilità OR biomassa OR biomass OR biomasse OR santé OR salute health OR fauna OR faune OR acqua OR acque OR eau OR eaux OR water OR pianeta OR planet OR planète OR pericolo OR danger OR pericoli OR dangers OR environmental OR ambientale OR environnementale OR environmental

Market world

Competition OR concorrenza OR concurrence OR competizione OR compétition OR concurrent OR concorrente rivalry OR concorrente OR value OR valore OR valeur OR vendibile OR saleable OR vente OR vendita OR sell OR lusso OR

luxury OR luxueuse OR luxueux OR opportunism OR opportunismo OR opportuniste OR possess OR possesso OR possession OR contract OR contratto OR contratti OR contrat OR contrats OR deal OR affare OR affaire OR prix OR prezzo OR price OR soldi OR money OR argent OR benefit OR beneficio OR benefici OR bénéfice OR bénéfices OR payment OR pay OR pagamento OR paiement OR payer OR monopolio OR monopoly OR monopole OR wages OR salario OR salaire OR salaires OR salari OR commerce OR commercio OR client OR cliente OR client OR clients OR offer OR supply OR offre OR offerta OR domanda finance OR finanza OR finanziario OR financier OR business OR economia OR économie OR economy OR croissance OR growth OR crescita OR PIB OR PIL OR GDP demande OR domanda OR opportunity OR opportunité OR opportunità

Domestic world

Tradition OR tradizione OR génération OR generation OR generazione OR hiérarchie OR gerarchia OR hierarchy OR leader OR benevolent OR benevolent OR padrone OR patron OR boss OR fiducia OR trustworthy OR confiance OR fiable OR affidabile OR onestà OR onesto OR onesta OR honnêteté OR honnête OR honest OR fiducioso OR fiduciosa OR confidant OR faithful OR capo OR chef OR “buon senso” OR “good sense” OR “bon sens” OR “sens commun” OR fedeltà OR fidélité OR superior OR superior OR supérieur OR famiglia OR famiglie OR family OR families OR famille OR familles OR respect OR rispetto OR identity OR identità OR identité OR collective OR collettivo OR vergogna OR shame OR honte OR honteuse OR honteuse OR vergognoso OR vergognosa OR honor OR honour OR onori OR obbligo OR obligation OR seriousness OR serio OR serietà OR sérieux OR serious OR arrogant OR arrogante OR arroganza OR arrogance OR arrogant OR arrogante OR celebrazione OR celebration OR celebration OR cerimonia OR ceremony OR cérémonie OR responsabilità OR responsibility OR responsabilité OR figlio OR figlia OR madre OR mother OR mère OR padre OR father OR son OR sons OR figli OR enfants OR enfant

Civic world

Collective OR collectives OR collettivo OR collettiva OR collettivi OR collectif OR collective OR collectifs OR collectives OR “collective will” OR “volontà collettiva” OR “volontà generale” OR “volonté collective” OR “volonté générale” OR legal OR legale OR legali OR legal OR légale OR légaux OR giuridico OR juridique OR giuridici OR juridiques OR right OR rights OR diritto OR diritti OR droit OR droits OR rule OR règle OR règles OR regola OR regole OR réglementaire OR regulatory OR règlement OR réglem* OR réglementare OR regolamento OR government OR gouvernement OR governo OR gouverné OR governare OR governed OR governato OR “interesse pubblico” OR “intérêt public” OR “intérêts publics” OR “interessi pubblici” OR “public interest” OR representative OR rappresentante OR élu OR élus OR representatives OR

ufficiale OR official OR official OR officielle OR officier OR “public good” OR “bien public” OR “bene pubblico” OR “beni pubblici” OR solidarity OR solidarietà OR solidarité OR partecipazione OR participation OR participer OR “partecipazione popolare” OR “dibattito public” OR “débat public” OR public debate OR “common objective” OR “obiettivo comune” OR “objectif commun” OR obbligo OR obblighi OR obligation OR obligations OR solidarity OR solidarietà OR solidarité OR solidaire OR solidale OR “rights and obligations” OR “diritti e doveri” OR “droits et devoirs” OR democracy OR democrazia OR démocratie OR democratico OR democratica OR democratic OR démocratique OR démocratiques OR democratici OR democratiche OR democratically OR democraticamente OR démocratiquement OR legislation OR legislazione OR législations OR legislation OR legislations OR legalmente OR legally OR légalement OR code OR codice OR codici OR codes OR statement OR dichiarazione OR declaration OR declarations OR dichiarazioni OR membership OR member OR membro OR membri OR member OR membres OR popolo OR peuple OR people OR “accordo internazionale” OR “international agreement” OR “accord international” OR “accords internationaux” OR “accordi internazionali” OR “international agreements” OR Cittadino OR cittadini OR citizen OR citizens OR citoyen OR citoyenne OR citoyens OR citoyennes OR cittadina OR cittadine OR assembly OR assemblée OR assemblies OR assemblées OR assemblea OR assemblee OR repubblica OR république OR republic OR ratifica OR ratificare OR ratific* OR ratifier OR ratification* OR ratify OR demonstration OR demonstrations OR manifestazione OR manifestazione OR manifestation* OR corteo OR cortège OR cortèges OR cortei OR “comissione parlamentare” OR commissione OR comitat* OR comité OR comités OR “commission parlementaire” OR “commissions parlementaires” OR referendum OR élections OR élection OR referendum OR eletto OR eletti OR elezioni OR candidato OR candidature OR candidature OR institution OR institutions OR istituzionz OR istituzioni OR giudice OR juge OR juges OR judiciaires OR procura OR procure OR procuratore OR principio democratico OR “principi democratici” OR “democratic principles” OR “democratic principle” OR “principe démocratique” OR “principes démocratiques” OR “public consultation” OR “consultations publiques” OR consultations OR consultation OR consultazione OR “consultazione pubblica” OR “consultazioni pubbliche” OR “commissario straordinario” OR “extraordinary commissioner” OR commissario OR commissari OR commissaire OR commissaires OR commissioner OR commisioners OR ignorare OR ignorato OR ignorati OR escluso OR ignorata OR esclusa OR esclusi OR exclu* OR exclue* OR excluded OR ignoré* OR ignor* OR mobilitazione OR mobilization OR presidio OR presidi OR petizione OR petition PR pétitions OR pétition* OR petizioni OR esposto OR esposti OR movimento OR moviment* OR movement* OR movement* OR trasparenza OR trasparente OR transparent* OR corruzione OR corrott* OR corruption OR mafia OR corrompu* OR libertà OR liberté* OR freedom

Fame world

“Public opinion” OR “opinione pubblica” OR “opinion publique” OR media OR mediatizzato OR mediatico OR média* OR médiatique* OR mediaticamente OR médiatiquement OR news OR notizi* OR nouvelle* OR newspaper OR giornal* OR journa* OR stampa OR presse OR press OR propaganda OR testate OR “titre journ*” OR giornalis* OR journalis* OR voci OR rumour* OR rumor* OR campagna OR campaign OR campagne OR “expert* communication” OR “espert* comunicazione” OR “strategi* comunicazione” OR sminui* OR “down playing” OR dévaloris* OR recognition OR riconsc* OR recon OR propaganda OR propagand* OR apparenza OR apparence OR “conference presse” OR “conferenz* stampa” OR messagg* OR television OR television OR TV OR show OR farsa OR lye OR bugi* OR audience OR mensonge* OR buogiard* OR menteur* OR mentir OR mentire OR boycott OR boicottare OR imagine OR image* OR pubblicità OR advertis* OR marketing OR publicité OR publicit* OR publicit* OR reclam* OR populis* OR “brutta figura” OR “mauvaise* figure*” OR fint* OR fiction OR finzione OR “breach of promise” OR “fals* promess*” OR "comitato promotore" OR "comité promoteur"

Industrial world

Efficiency OR performance OR future OR function* OR functional OR predictability OR reliability OR work OR energy OR professional* OR expert* OR specialist* OR operator* OR means OR method* OR methodology OR scientific OR objective OR methodolog* OR task* OR space OR axis OR direction OR definition OR plan* OR goal OR calendar OR standard* OR series OR average OR probability OR variable OR graph OR model* OR target OR calculation OR hypothesis OR hypotheses OR solution* OR progress OR dynamic OR control OR security OR risk* OR machinery OR machineries OR rail OR cogwheels OR interact* OR condition OR necessary OR integrate OR organize OR stabilize OR order OR anticipate OR implant OR adapt OR detect OR analys* OR measure* OR standardize OR standardizzare OR standardis* OR optimize OR optimization OR system* OR trial OR effectiveness OR instrument* OR operational OR operationaliz* OR measurement OR technique OR technology OR technological OR degree OR gradient OR kilometer* OR chilometr* OR impatto OR uncontrollability OR construction* OR knowledge OR scale OR test OR aggregate* OR perturbation OR components OR construct* OR check OR proof OR installation OR gestione OR Efficienza OR prestazion* OR futuro OR funzional* OR prevedibilità OR affidabilità OR lavoro OR Energia OR professionist* OR espert* OR specialist* OR operator* OR responsabil* OR metod* OR metodologia OR compito OR spazio OR asse OR direzione OR definizione OR pian* OR obiettivi* OR calendario OR standard OR serie OR

media OR probabilità OR variabil* OR grafic* OR modell* OR calcolo OR ipotesi OR soluzione OR progresso OR controllo OR dinamico OR sicurezza OR macchin* OR rotai* OR ruot* OR interazione OR interag* OR organizz* OR stabilizz* OR impianto OR rilev* OR analizz OR analisi OR rilievo OR misur* OR standardizzare OR ottimizza* OR sistem* OR test OR prova OR prove OR efficacia OR misura OR strument* OR grad* OR pendenz* OR energetic* OR tecnologia OR tecnologic* OR gomma OR CO2 OR carbone OR nucleare OR difett* OR consequenz* OR alimentazione OR aggregat* OR component* OR installazion* OR costruzion* OR system* OR normalizz* OR causa OR programma OR costruir* OR cantier* OR fas* OR pericolo OR anticipare OR prevision* OR traffic* OR transport* OR operativ* OR tecnica OR Efficacité OR performance OR avenir OR fonctionnalité OR prévisibilité OR fiabilité OR travail OR énergie OR professionnel* OR expert* OR spécialiste* OR opérateur* OR méthode OR tâche OR espace OR axes OR direction OR définition OR plan OR programm* OR but OR calendrier OR standard OR cause* OR Série* OR moyenne OR probabilité* OR variable* OR graphique* OR modèle* OR objectif* OR calcul* OR hypothèse* OR Solution* OR progrès OR contrôl* OR dynamique* OR sécurité OR risque OR machine OR roues OR ferré* rail OR interag* OR interaction* OR besoin OR condition, OR nécessaire OR intégrer OR organis* OR stabilis* OR anticiper OR implant* OR detect* OR analys OR déterminin OR mesur* OR normalis* OR Optimis OR résou* OR système OR essai OR efficience OR mesure OR instrument* OR opérationnel* OR instruments OR technique, technologique OR effet* OR technologique* OR puissance OR degré OR charbon OR risqu* OR gestion OR danger OR production OR produzione OR incontrôlab* OR consequence* OR construction OR chantier* OR approvisionnement OR agrég* OR perturbation OR composant* OR verification OR prevue OR installation OR transport OR réseau* OR rete OR reti OR valutazion* OR évaluation*

Connectionist world

Projet* OR lien* OR flexible* OR flexibilité OR disponible* OR contact* OR autonom* OR médiateur OR mediation OR partenaire* OR partenariat* OR coordinateur OR coordination OR coach* OR manager* OR “relation informelle” OR qualification* OR competence* OR information* OR bureaucrati* OR Progett* OR collegament* OR flessibil* OR flessibilità OR disponibili* OR contatt* OR autonom* OR mediator* OR mediazion* OR partner OR socio OR collaborazion* OR coordinator* OR coordinament* OR "rapporto informale" OR qualifica OR informazion* OR burocrazi* OR burocratic* OR Project OR flexible OR flexibility OR available OR contact OR autonomy OR mediator OR mediation OR mediate OR partner OR partners OR partnership* OR coordinator*

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qualification OR competence OR information OR bureaucra*

ANNEX IV – Allocation of TEN-T budget through time (1995-2013)

At the beginning of the 1990s, twelve Member States decided to set up an infrastructure policy at the Community level in order to support the functioning of the internal market through Trans-European Networks (TENs) in the fields of: transport (TEN-T), energy (TEN-E) and telecommunications (e-TEN).

TEN-T first program guidelines were adopted in 1996 following the Council of Ministers held in Essen in 1994: these guidelines constituted a reference framework for Member States infrastructure planning and determined projects eligibility for EC/EU funding. Regulations governing EC/EU funding from the TEN-T budget were adopted for the periods 1995–1999, 2000–2006 and 2007–2013. Other EU funds – notably the Cohesion Fund and the ERDF – contributed also to fund TEN-T projects.

Fig. 1 shows how the TEN-T budget⁴⁰ evolved during the financial periods mentioned above. During these periods, the budget always increased: by 134% from 1995-1999 to 2000-2006, and by 64% from 2000-2006 to 2007-2013.

TEN-T budget is allocated in:

1. Infrastructures – as inter-modality is the cornerstone of TEN-T, infrastructure investments includes: road, rail, inland waterway (IWW), ports, airports, motorways of the sea (MOS) and other interconnection points between modal networks.

⁴⁰ Figures provided in this section are a personal elaboration of data available from: Bothnian Green Logistic Corridor (2014) *Allocation of TEN-T Financing in the Trans-European Transport Network*. Retrieved from: <http://www.bothniangreen.se/wp-content/uploads/2014/03/allocation-of-tent-financing.pdf> (Last access 28 November 2014).

2. Traffic Management Systems/Positioning and Navigation Systems - integration and smooth operation of the TEN-T infrastructures is ensured through efficient traffic management systems consisting of systems for road (Intelligent Transport Services - ITS), rail (European Rail Traffic Management System - ERTMS), air (Air Traffic Management – ATM) and waterborne transport on inland waterways (River Information Systems - RIS) as well as the European positioning and navigation systems (Galileo).

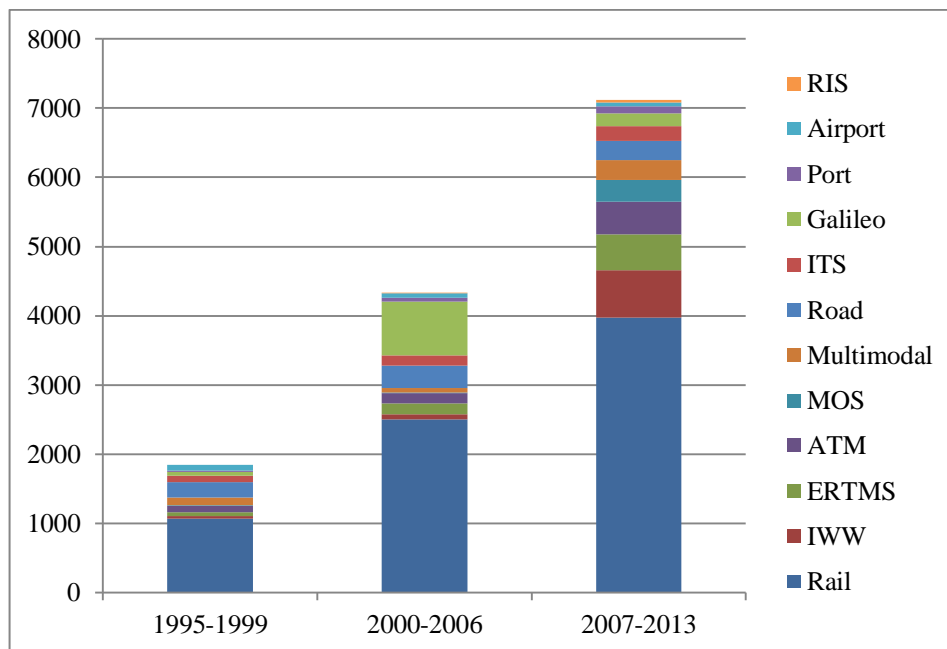


Figure 1 – TEN-T budget allocation (1995-2013)

As Figure 2 shows, the share of TEN-T budget allocated to infrastructure projects was higher than that allocated to traffic management system projects: on average infrastructure investment projects absorbed 75%, while traffic management systems only 25%.

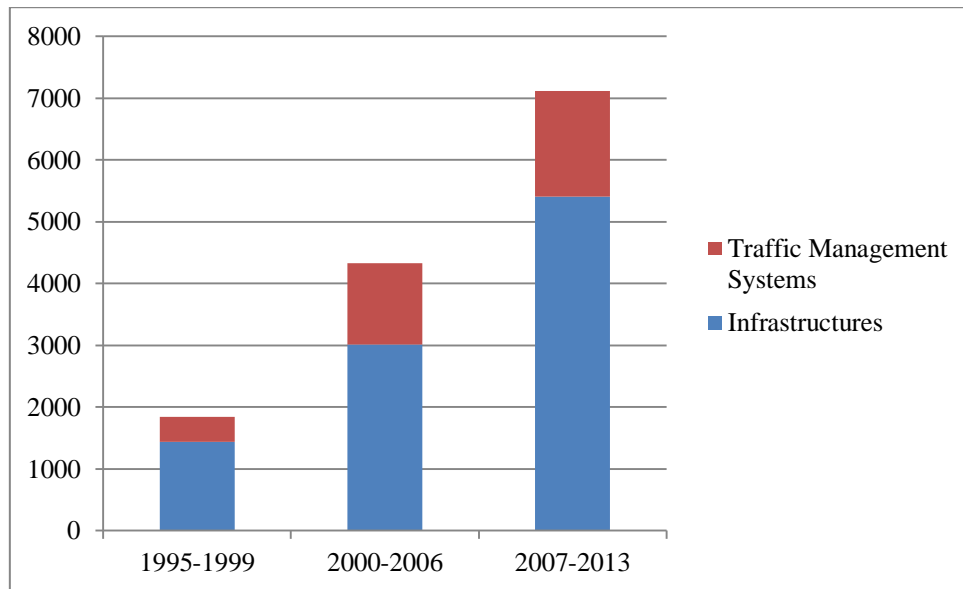


Figure 2 – TEN-T budget allocation: traffic management system and infrastructures

As shown in Figure 3, in 2000-2006 the TEN-T budget allocated in traffic management system increased by 8% to the detriment of infrastructures, while in 2007-2013 it decreased by -6%. Nevertheless, if we compare the share of TEN-T budget absorbed by traffic management system at the beginning of the TEN-T program with that absorbed at the end, it emerges that it increased by 2%.

In terms of projects, TEN-T has financed three types of activities:

1. Works
2. Studies
3. Mixed works and studies

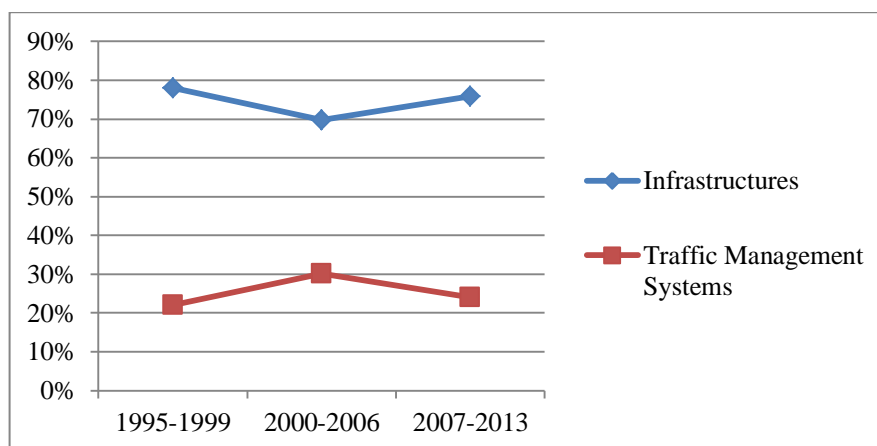


Figure 3 - TEN-T budget allocation: traffic management system and infrastructures (% value)

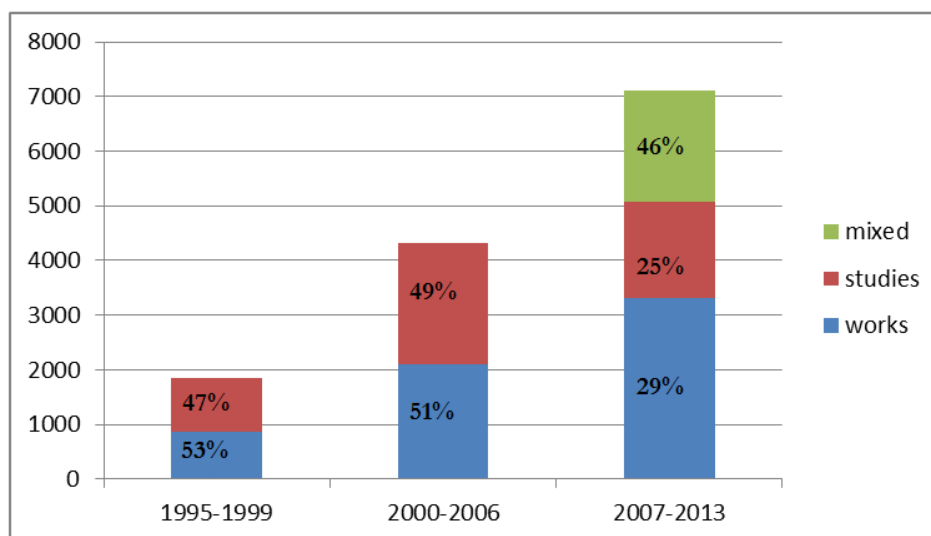


Figure 4 - TEN-T budget allocation: traffic management system and infrastructures (% value)

Fig. 4 shows that the allocation of funds between works and studies was quite balanced. Moreover, in the last financial period, unlike the previous

periods, funds are directed also to mixed activities, consisting of both studies and works.

As far as infrastructure investments are concerned, rail is clearly the transport mode where the highest amount of TEN-T funds was allocated during the time span under observation. Tab. 1 and Tab. 2 provides figures on the TEN-T budget absorption rate for the different sectors of infrastructure investment. These figures show that over the years rail absorbed on average 57% of the total TEN-T budget, whereas the other sectors an average ranging between 0.2% and 8%. The absorption rate for rail steadily varied over time as showed by the coefficient of variation (CV) in Tab. 1 (which is close to zero). Nevertheless, if we compare the 2007-2013 absorption rate of rail with the 1995-1999 we can notice a slight drop of -2%. Road is the sector that experienced the highest drop (-8%) from 1995-1999 to 2007-2013: its absorption rate progressively decreased by -38% from 1995-1999 to 2000-2006 and by -47% from 2000-2006 to 2007-2013. This evolution in the EU budget is consistent with the EU policy orientations that, since the mid-1990s have been promoting a modal shift from road to greener transport modes (i.e. trains). This also explains the decrease in the TEN-T budget absorption rate of airport infrastructures (-4% from 1995-1999 to 2007-2013) and the increase in MOS (+4%) and IWW (+8%). Additionally, this explains also why rail has a steady absorption rate ranging from 56% to 58%. Indeed, framed within the 2020 strategy, the EU adopted the target of reducing GHG emission in the EU by 20 % with respect to 1990 and MOS, IWW and, especially, rail are expected to give a great contribution to the achievement of this objective.

Tab. 2 shows that the coefficient of variation (CV) of the absorption rate vary from 0.02 (rail) to 1.31 (MOS) meaning that the way the TEN-T budget was allocated differed across the infrastructure sectors. When the CV is close to 0, it means that over the years the absorption rate experienced poor fluctuations,

whereas when it is close to 1 it means that the absorption rate experienced important fluctuations. The TEN-T budget was constantly allocated towards rail (0.02) and port (0.19), whereas IWW (1.04) and MOS (1.31) experienced the highest fluctuations. On the one hand, the sharp fluctuations of IWW and MOS depend on the sharp increase - occurred mainly during the last financial period - of the TEN-T budget allocated to these infrastructure sectors in order to meet the environmental policy objectives. On the other hand, the sharp increase in the share of the EU budget allocated to IWW (8%) and MOS (4%) paralleled the decrease experienced by road (-8%) and airport (-4%).

Budget Amount (€) and Budget Absorption Rate (%) per Infrastructure Sector						
	1995-1999		2000-2006		2007-2013	
Rail	1068,8	58%	2499,7	58%	3970	56%
IWW	32,2	2%	74,2	2%	684	10%
MOS	12,5	1%	8,9	0%	318	4%
Road	219	12%	318,3	7%	277	4%
Port	18,2	1%	53,5	1%	103	1%
Airport	86,8	5%	64,2	1%	51	1%
	1437,5		3018,8		5403	

Table 1

Statistics_TEN-T Budget Absorption Rate				
	LF_Dis	Mean	SD	CV
Rail	-2%	57%	0,01	0,02
IWW	8%	4%	0,05	1,04
MOS	4%	2%	0,02	1,31
Road	-8%	8%	0,04	0,52
Port	0.2%	1%	0,00	0,19
Airport	-4%	2%	0,02	0,92

Table 2

Fig. 6 shows how the different absorption rates have been fluctuating across the different financial periods under observation. While rail and port evolved in a steady way, road and airport decreased against the increase of IWW and MOS.

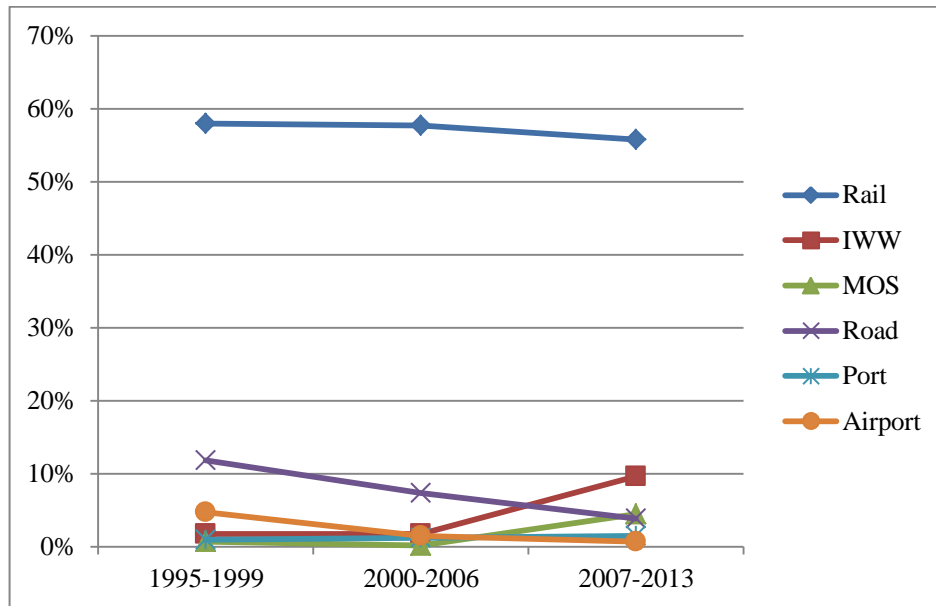


Figure 6 – TEN-T budget absorption rate (graphical display)

To conclude, since the beginning of the TEN-T program, the budget has been progressively increasing with infrastructure investments receiving always the highest share of funds (on average about 76%). The rail sector is the one that absorbed the highest part of funds (on average about the 57%). Moreover, during the entire period under examination the share of TEN-T funding allocated to rail is the one that waved the least, with a CV equal to 0.02. Rail-related absorption rate is about ten times higher than those of other sectors meaning that it is considered a priority of the TEN-T policy. As a matter of fact the large majority of projects included in the most recent Core Network list is in the rail sector.

The modal shift is an important aspect that clearly emerges from our analysis of the data. Indeed, we see that the budget share allocated to road and airport sectors

has been decreasing respectively by -8% and -4% while the one allocated to IWW and MOS has been increasing respectively by 8% and 4%. This is a consequence of the environmental-friendly policy model adopted by the EU regarding transport infrastructure investments, giving priority to the lowering of GHG emissions.

ANNEX V – Contextualist chronicle of LT project

Content

In the late-1980s, French SNCF's planning department launched the idea of creating a new High-Speed Railway (HSR) connection between Lyon and Turin as the transport service provided by the existing railway line was affected by technical shortcomings. The core of the initial project was a 54 km base tunnel crossing the Alps between Susa Valley in Italy and Maurienne in France. The planned line would have dramatically reduced the gradient line by crossing the Alps at the height of 400m – instead of the 1200m of the historical line (see Fig. 1). The railway connection was designed to adopt a HSR technology allowing trains to move at 220 km/h. On the one hand, the new line would have considerably improved the quality of the transport service for passengers by shortening the journey times. On the other, its reduced gradients and much wider curves compared to the existing line will have allowed heavy freight trains to transit between the two countries at 100 km/h and with much reduced energy costs. For all these reasons, SNCF included LT in its Master Plan for the construction of HSR Lines in France. In 1991, FS made official Italian intentions of joining SNCF's idea and realizing the project. The same year, Italian transport Minister Bernini and his French counterpart met in Viterbo (Italy) and signed a declaration of intents supporting the construction of LT.

Throughout the 1990s, the Italian and French railways – with the support of the national governments - realized the feasibility studies of the future infrastructure. In 1994, Lyon-Turin (LT) officially became a key project of the TEN-T program and EU funds were made available to it. Initial plans fixed the beginning of the construction of the base tunnel between 2014 and 2015.

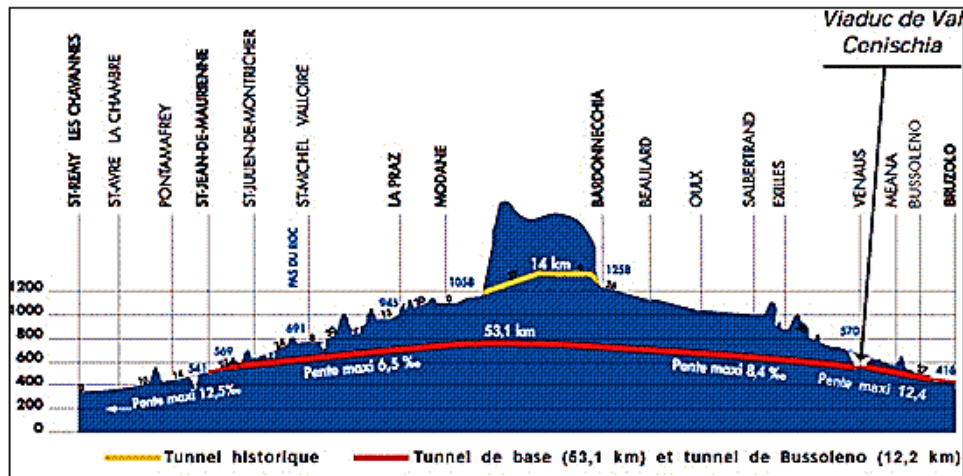


Figure 1 - Comparison between the gradients and heights of the traditional line and the base-tunnel line. Source: LTF. Retrieved from Sutto (2009: 75)

In 2003, both Italian and French promoters had already designed and approved the preliminary project of the base tunnel. However, in the mid-2000s major delays emerged during the design and approval of the definitive project in Italy. While in France the definitive version was already approved in 2007, in Italy - because of local oppositions in the Susa Valley - it could not be approved before 2015.

The initial objective of initiating the construction works between 2014 and 2015 was thus postponed. Nowadays, the construction of the base tunnel is expected to start in 2018 and to take approximately 10 years.

Context

Outer context

In 1992, the then 12 member states signed the Treaty of Maastricht and decided to set up the Trans-European Transport Network (TEN-T) policy, an infrastructure policy at supranational level with the overall aim of improving the functioning of the internal market through continuous and efficient transnational networks in

transport flows. TEN-T goal was to interconnect national infrastructure networks and ensure their interoperability by setting standards which could remove transnational technical barriers, such as incompatible standards for railway traffic. It was designed to promote and strengthen seamless transport chains for passenger and freight, while keeping up with the latest technological trends such as HSR technology in the rail sector.

In 1994, the European Council met in Essen and identified 14 projects (“Essen projects”) representing the backbone of the trans-European transport network. In 1996, because of the endorsement received by the Council of the EU, these 14 projects were included in the TEN-T program. The deadline for their completion was 2010.

During the 2000s, it became clear that the number of planned projects realized throughout the Member States fell behind the 1996 optimistic development plans. Delays in the completion of projects were mainly due to the fact that Member States’ governments used the TEN-T budget to refund national expenditure already settled, instead of generating additional investments in trans-national infrastructures. As a consequence, in 2004 the EU amended the 1996 investment guidelines and introduced the role of the European Coordinator, an EU-level manager acting in the name of the European Commission to assure the timely completion of planned projects. His/her role was to supervise the Member States in the development of projects to be funded by TEN-T.

In 2010, Decision 661/2010/EU came into force and amended the 2004 guidelines. As delays in the completion of planned projects were evident, the new text extended the deadline for the accomplishment of the network from 2010 to 2020. It also created an executive agency to support the European Commission in the administration of the program and to monitor the performance of funded projects. Additionally, article 19 of Decision 661/2010/EU reinforced the position

of the European Coordinator by requiring the Member States to transmit him/her all the information needed to appreciate the design and implementation of funded projects.

In 2014, the investment guidelines were amended for the last time by Regulation 1315/2013. As delays in the completion of planned projects did not stop, the list of projects to be funded was reviewed. This revision was done by the European Commission on the basis of a scientific methodology using the evolving traffic demand as a basis to distinguish between most strategic and least strategic projects. The objective was to concentrate TEN-T funding in the main European urban nodes and economic centers. Based on this methodology, the Commission concluded that the TEN-T could be best developed through a dual-layer approach, consisting of a comprehensive network and a core network. The former was the basic layer of the TEN-T network consisting of all existing and planned infrastructure projects meeting the requirements of the guidelines. The deadline for its completion was extended to 2050. The latter overlaid the comprehensive network and consisted of its strategically most important projects. Because of their strategic importance, the deadline for the completion of core-network projects was extended to 2030.

Additionally, the 2014 reform of the guidelines introduced the notion of “corridor”. All the infrastructure projects composing the core network were organized into 9 trans-European transport axes called “corridors” (Figure 2). Each of these 9 corridors was provided with a dedicated governance body, called “corridor forum” and operating under the supervision of a European Coordinator. This forum is a consultative body, chaired by the European Coordinator, where the public authorities (national governments, ministry-level administrations and regions) and industry (infrastructure managers of ports, airports, rail and roads, as well as freight transport operators) gather to prepare and follow up the work plan

detailing the activities to be done to assure the harmonized and timely implementation of all the projects composing the corridor.

The TEN-T program has made available financial resources to LT since 1994. Because of major delays in the accomplishment of planned objectives – especially on the Italian side of the project –, in 2010 the European Commission cut approximately €9.2 million to LT.

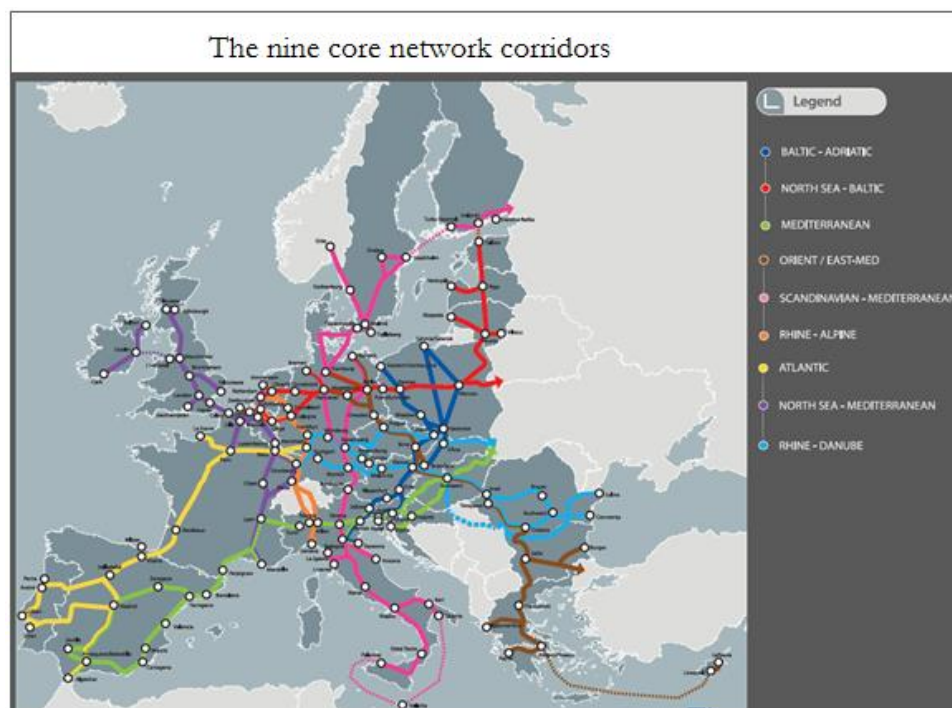


Figure 2 – Source: European Commission

Inner context

At the national levels, the decision-making bodies and rules involved in the design and implementation of LT are different in Italy and France. Moreover they change over time as an effect of local oppositions and supra-national pressures

linked to the use of TEN-T financial resources. We thus describe them through time. The fieldwork led us to identify three periods: 1990s, 2000s, 2010s.

1990s: the project formulation (Period 1)

Theorizing the technical need for a new railway connection between Lyon and Turin is the first important activity related to LT in France. A key role is played by SNCF's planning department which in the late-1980s launched the idea of modernizing the railway connection between Lyon and Turin as the transport service provided by the historical railway line was affected by technical shortcomings. SNCF's idea met the support of Rhône-Alps' regional authorities which, at that time, had the ambition of internationalizing the region by improving its transport connections with other European cities.

By contrast, in Italy LT emerged from the lobbying activity of Tecnocity – a foundation controlled by FIAT (the largest Italian automobile manufacturer founded by the Agnelli family) and IFI (an Italian investment company controlled by the Agnelli family). At that time, Tecnocity was interested in the activities of the European Round Table of Industrialists, an EU-level influential group that, at that time, supported the construction of a base tunnel across the Alps to enhance the European transport system. Contrary to SNCF, FS initially did not support LT as the priority was the upgrading of existing national infrastructures rather than the construction of new international ones. However, in 1990 the central government replaced FS' incumbent chairperson with a new one supporting LT. In 1991, FS made official Italian intentions of joining SNCF's idea and realizing the project. The same year, the Italian transport Minister Bernini and his French counterpart met in Viterbo (Italy) and signed a declaration of intents supporting the construction of LT.

2000s: the official approval of the project and start of the geognostic works (Period 2)

In the early-2000s, in both countries the official procedures for the approval of LT by public authorities take place and the geognostic works can start.

French rules for the decision-making of LT have their source in a codified administrative procedure – so called ‘Enquête Publique’ - that obligates the project promoters to undertake public consultations with local communities and citizens. They are required to disseminate information to these local stakeholders and organize public meetings to explain them their stakes in the project. They have to report their conclusions to a public inquiry committee appointed by an administrative tribunal. The latter then examines, validates and sends these conclusions to the ministry who decides whether the project can be officially declared of public interest.

In the framework of the approval of the preliminary project, the French government starts the works for three geognostic tunnels in Saint Martin-la-Porte (accomplished in 2003), Villarodin-Bourget / Modane (accomplished in 2002), and La Praz (accomplished in 2005).

Italian rules for the decision-making of LT have their source in Law 443/01 – so called ‘Legge Obiettivo’ (LO). Through this law, the Italian Parliament mandated the government to realize several infrastructure projects listed in the legal text itself. It instituted new decision-making rules introducing a fast-lane procedure to facilitate the accomplishment of LO-listed projects. These new rules concentrated all decision-making power in the hands of an inter-ministerial body, called *Comitato Interministeriale per la Programmazione Economica* (CIPE). Indeed, if a project was listed in LO, then the CIPE was empowered to approve it by majority. There was no legal requirement of involving local citizens and authorities. The only constrain was to acquire the non-binding opinion of local authorities concerned by planned projects. Within this legal framework, between

2001 and 2004, the meetings amongst the proponents multiplied but local stakeholders were most often excluded.

Italian geognostic works were planned to start in 2005 in Venaus but had to stop because of the opposition of concerned local populations. Because of these oppositions, in 2006 the incumbent government created a new extraordinary body, the Osservatorio Torino-Lione (OTL). OTL's objective was to establish a dialogue between LT proponents and opponents. Until the late-2000s, the OTL hosted many meetings during which the most controversial aspects of the project were debated. However, no common ground could be found between the opposing parties.

2010s: finalizing the project approval and the geognostic works (Period 3)

In Italy, the increasing protests of local communities led the government to approve Law 183/2011 which declared LT a project of strategic priority to be realized in the name of national interest. In so doing, it created the juridical conditions to mobilize permanently the army in the Susa Valley and militarily occupy the site in order to discourage any future protest against the construction works. Thanks to the support of the army the geognostic works could start in Chiomonte (Susa Valley). Additionally, the project promoters also relied on the judiciary power to weaken the protests. For example, *Lyon Turin Ferroviaire* (LTF) – the company in charge for the geognostic works of the base tunnel - prosecuted one of Italy's most acclaimed writers because in 2013 he publicly defined LT a useless and harmful project that was legitimate to sabotage. LTF pressed charges against him shortly after he made these remarks. The Italian anti-terror prosecutors followed suit, claiming that the writer had publicly instigated the commission of crimes and violations intended to hurt LTF. He was accused of incitement to damage property. Finally, he was acquitted by the court in Turin in 2015.

In France, local protests developed in 2012 during the public consultations with local communities. Opponents claimed new studies on the transport demand and environmental impacts of LT. Additionally, they called for a new public debate on the public interest of the project where decision-making procedures would be applied in a truly transparent way. The promoters considered these requests incompatible with the implementation status of the project which had already been gone through many EU decisions and international agreements, duly ratified by the French Parliament. Therefore, in 2013 the concerned ministry declared LT of public utility. Local protests did not stop and, in 2014, LTF filed a claim for defamation against the spokesperson of local opponents. However, upon reaching the court the lawsuit was dismissed on insufficient legal ground.

Process

French and Italian promoters have differently interacted with the local stakeholders (civil society and local authorities) concerned by LT.

France

Throughout the 1990s and the 2000s, the French project promoters involved several times local stakeholders in the decision-making of the project. In the early-1990s, local oppositions to the project developed in the Lower Dauphiné region and the Avant-Pays Savoyard. At this initial stage, opponents did not criticize the technical and economic foundations of the project but simply expressed concerns about the impact of the future railway line on the landed properties affected by the future line. Project promoters did not ignore them. They informed – e.g. by sending them informative brochures with technical details about LT – and involved them in public consultations since the early stages of the project - e.g. in 1992 they organized a public debate on the economic and social interest of the project. However, the interviews we have conducted with the members of the local opposition groups reveal that, in some occasions, the project

promoters secured the support of local communities by swindling them (e.g. they provided false information on the noise pollution of the future infrastructure).

In the framework of the ‘Enquête Publique’, between 2002 and 2007 a long process of public consultation took place in Villarodin-Le Bourget (Maurienne region). Protests developed in this village because local people were worried about the environmental impacts of the infrastructure works - namely the drainage of local water sources, and the risks associated with the storage of the excavation material. As a response, the project promoters set up a local information point to answer the questions of local communities about the operations connected with ongoing works. Additionally, they organized new public consultations and provided further details about the environmental impacts of the project. In 2007 the consultations came to an end. A prefectural order came into force and declared of public interest the operation works in Villarodin-Le Bourget.

In the early-2010s, local protests against LT intensified and promoters responded by resorting to the tribunal.

In 2012 the French Court of Audit released a report (‘Référé n° 64174’) that questioned the realism of the costs estimates and traffic forecasts of the project promoters. Intrigued by this report, Daniel Ibanez – an experienced business consultant from the Savoie department –took part in the public consultations in the departments of Rhône, Isère and Savoie. He established contacts with the experts of the Italian opposition groups and collaborated with them to examine the studies (e.g. cost-benefit analysis, feasibility studies) prepared by the project promoters in support of LT. He re-elaborated some data about the traffic forecasts provided by the project promoters during a 2012 public consultation and came to the conclusion that these data were misleading. Moreover, he found some procedural errors in the application of the Environmental Impact Assessment (EIA) procedure. Promoters’ irregularities in the conduct of the public

consultation and EIA procedures frustrated local stakeholders who had the impression that the project was pre-determined before any public involvement. As a consequence, opponents claimed new studies on the impacts of LT and called for a new public debate on the public interest of the project where decision-making procedures would be applied in a truly transparent way. The promoters considered these requests incompatible with the implementation status of the project which had already been gone through many EU decisions and international agreements, duly ratified by the French Parliament. Nevertheless, the protests did not stop and, in 2014, the project promoters responded by filing a claim for defamation against Daniel Ibanez.

Italy

Throughout the 1990s, local oppositions to the project emerged in the Susa Valley with the formation of the Committee Habitat in 1992. This was originally constituted by a small group of environmental activists coming from the association ProNatura. It rapidly grew and enlarged to 60 members including railway experts and professionals, medical doctors, factory workers, lecturers of the Turin polytechnic university, as well as mayors and civil servants from the local authorities of the valley. In 1994, after studies and discussions that lasted a few years, the Committee Habitat expressed a negative view of the project. Their core argument was that it was technically useless – because of decreasing traffic flows between Italy and France - and extremely impacting for the environment of the valley. As for the environment, their concerns were about the presence of uranium and asbestos in the mountains where the tunnel is to be bored. They were worried for the environmental risk associated with the construction of the tunnel and, more precisely, with the storage of excavated materials.

Until the mid-2000s, the project promoters ignored these requests. In 2005, they sent expropriation letters to the residents of Venaus, a village in the Susa Valley

concerned by the construction of a geognostic tunnel. Vis-à-vis promoters' obstinacy, Venaus residents occupied the construction site. As a response, the police violently evacuated them to let the promoters start the geognostic works. The images of this police operation circulated all around the country and, two days later, 30000 people assembled in Venaus, removed the enclosures from the construction site and occupied it again. Their request to the project promoters was to involve local communities and authorities in the decision-making of the project and open a debate on the technical reasons at the basis of LT.

Vis-à-vis this mass mobilization, in 2006 the incumbent government created a new extraordinary body, the Osservatorio Torino-Lione (OTL). OTL's objective was to establish a dialogue between LT proponents and opponents. The government presented it as a bi-partisan body where the most contested technical aspects of the project could be debated. Until the late-2000s, the OTL hosted many meetings during which the most controversial aspects of the project were debated. Proponents' and opponents' experts had diverging opinions on the forecasting methodology and the variables to be used in the estimation of the traffic flows between Italy and France.

Because of existing divergent views, OTL's technical talks were taking long and the construction of the base tunnel was delayed. As a consequence, in 2008 the Chairman of the OTL decided that it was time to stop debating the technical problems of the project and work constructively on the infrastructure design. Therefore, he unilaterally adopted a document – so called “Agreement of Pracatinat” – in the name of all OTL's participants although Susa Valley representatives had not signed it. This document imposed OTL members to shift the focus of their works from debating the project feasibility to project implementation. Additionally, as the deadlines to apply for a new EU financial support were approaching, the Italian government put pressure on the local

authorities to tell their OTL experts to stop debating the technical feasibility of the project and start preparing the submission file to obtain the EU's funds. The local authorities refused and, in 2010, the government publicly threatened to expel them from the OTL if they had not declared to support the implementation of the project

Because the OTL was not able to assure any democratic participation, and because many technical issues remained unresolved, the local communities asked their experts to quit the OTL. The citizens of the Susa Valley, backed by their mayors, went back to the streets. A new season of protests and demonstrations started again. In 2011, as a form of protest the NOTAV activists occupied another construction site in Chiomonte where some geognostic works for the base tunnel were about to start. To prevent further delays, the government resorted to the police forces which evacuated the activists to let the promoters start the geognostic works. Faced with increasing protests, the same year the government approved Law 183 which declared LT a project of strategic priority to be realized in the name of national interest. In so doing, it created the juridical conditions to mobilize permanently the army in the Susa Valley and militarily occupy the site in order to discourage any future protest against the construction works.

ANNEX VI – Interview guidelines

- **Individual level**
 - Professional and/or personal background
 - Broad managerial function and/or individual role in relation to TEN-T and Lyon-Turin
- **Organizational level**
 - Organizational affiliation and mission of the organization
 - General structure of the organization
 - Role of division/unit/group in the overall organization
 - Individual role in the organization
 - Prevailing collaborations and collaboration forms
- **TEN-T governance level**
 - Mission of TEN-T program and brief background
 - General structure of the program governance
 - Positioning and role of his/her own organization in relation to the program governance
 - Individual role in relation to the program governance
 - Project management cycle of funded projects
 - Main dysfunctions in the project management cycle
 - Possible solutions (personal and/or professional opinion)
- **Lyon-Turin project**
 - Project description: what/why and background
 - Specific individual function/role in relation to the project
 - Stakeholders' relations during the project implementation

- Difficulties related to Lyon-Turin implementation
- Awareness of the opposition movement
- Actions undertaken to deal with the opposition movement
- Possible solutions to difficulties (personal and/or professional opinion)